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London, Tuesday, March 16, 1999

U.S. Warns Serbia After Kosovars Accept Plan

Clinton Sees No Option But Strikes if Belgrade Shows Intransigence

By Brian Knowlton International Herald Tribune

WASHINGTON - As ethnic Albanians said they were prepared to sign on to a peace plan in Paris, President Bill Slinton said Monday that NATO would nave little option but to undertake milhave had option against Serbia if it showed "intransigence and aggression" in the province of Kosovo.

The United States praised the ethnic Albanians after they said they were "ready to sign" a peace agreement. Mr. Clinton said the decision showed that the West had pursued a "successful

policy."
U.S. officials remained cautions, however, about the prospects for the new round of Kosovo peace talks in Paris. Secretary of State Madeleine Albright had no immediate plans to join the talks, aides said, with Serbia continuing to resist demands that it allow foreign

peace-keeping troops in Kosovo.

Javier Solana Madariaga, secretarygeneral of NATO, who met Monday with Mr. Clinton to discuss NATO and its role in the Balkans, told reporters that he was "very, very concerned" about the situation in Kosovo. He said he feared that without an agreement, a "humanitarian catastrophe" might be difficult to avoid.

Mr. Clinton, asked how the North Atlantic Treaty Organization would react if President Slobodan Milosevic of Yugoslavia failed to join the agreement.

"If he shows intransigence and aggression, I think that, from my point of view, we would have little option" but

to hit Serbian military targets.
In a veiled warning of the turnoil that would follow = NATO attack. Mr. Clinton said that signing the peace accord and allowing peace-keeping troops in Kosovo would be Mr. Milosevic's best chance to preserve the integrity of Serbia and avoid economic and other

The decision of the ethnic Albanians, who form a majority in the Serbian province, to sign a peace agreement tips the focus now entirely on Mr. Wilosevic to make a choice between peace and further bloodshed," Mr. Clinton's national security adviser, Samuel Berger, said earlier.

Mr. Clinton conceded that NATO. with its threats of punitive bombings against Serbian targets, was operating in largely uncharted territory. "There's not a lot of precedent," he said, but he insisted that the alliance was determined to "avoid the level of atrocity and death that we saw in Bosnia."

"We wanted to try to dramatically shorten the timetable from aggression and loss of innocent life and upheaval to action," Mr. Clinton said. "And so far, I-would say that it seems to have been a

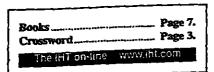
successful policy. Mr. Clinton said the Serbs would have time to consider their response. "We need to give everybody time to assess the current situation," he said, while adding, "Obviously, they can't go on indefinitely."

Ouestions have been raised about precisely how NATO would react if Mr. Milosevic continued to block a peace plan, whether the alliance has the will to pursue an air campaign, and what its objectives would be.

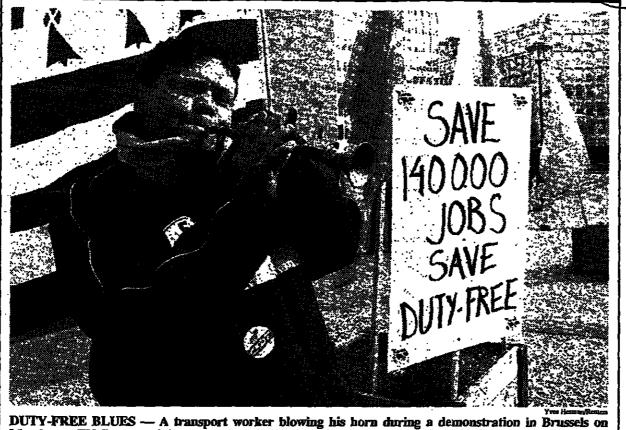
Earlier, at a breakfast meeting with foreign correspondents, Mr. Solana said that only an agreement allowing NATO to send peace-keeping forces "would guarantee what we want to guarantee -no massacres," as well as a possibility for Kosovar self-government, and containment of the turnoil.

Without an agreement, Mr. Solana added, "I am very pessimistic." The Western allies, he said, were determined to prevent further atroci-

NATO bombing attacks in that event, he said, would not be intended to 'bomb the Serbs back to the table'' but to "damage, and damage seriously." Serbian capacity to inflict violence.



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Sweden Pays the Price of High Taxes

Monday as EU finance ministers met but declined to give a reprieve to the duty-free business. Page 11.

Nation's Corporations and Brains Flee for More Favorable Shores

By Tom Buerkle tional Herald Tribune

STOCKHOLM -- Electrolux AB, the big Swedish appliance maker, scoured the globe for a person to set up a new data-processing division last year before finding Stephan Carlquist, a Swede and senior executive at ABB Asea Brown Boveri in the United States.

Persuading him to jump to Electrolux was no problem, but bringing him to Sweden, home of the industrialized world's highest tax rates, was another

1.246.1

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117,715

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9,958.77

1,307.26

2,431,45

U.S. stocks rose Monday as cor-porate acquisitions lifted the Dow

lones industrial average closer to

Dow Edges Closer

the 10,000 level. Page 12.

+ 12.57

1.0915

percent change

+ 0.83%

+0.98%

1.6325

118,7

matter. Instead, Mr. Carlquist set up shop in London, where the taxes are lighter, the industry contacts closer and European travel connections easier. Over the next year, he plans to build a multinational team of as many as 50

people — few of them Swedes.

"It's very hard to attract skilled, international people to Sweden," Mr. Carlquist said.

Welcome to globalization, Swedishstyle. In recent months, Sweden's sense of economic security has been jolted by the loss of several corporate bastions,

such as the pharmaceutical company Astra AB, the paper company Stora AB and the car division of Volvo AB, to foreign merger partners.

To some extent, the deals were the inevitable price of success for companies that have outgrown the Swedish market and become global players.

But with the exception of Volvo, the mergers have seen corporate headquarters move to places like London and Helsinki, taking lots of highly paid jobs

See SWEDEN, Page 5

Panel Condemns Conduct Of European Commission

By Barry James International Herald Tribune

BRUSSELS - An independent investigating committee issued a damning report Monday on the European Commission, the European Union's executive body, accusing it of mismanage-ment, favoritism and conduct that was 'not acceptable.'

"It is becoming difficult to find anyone who has even the slightest sense of responsibility," the inquiry concluded. It also said the commission had lost

political control. Pauline Green, leader of the 214member Socialist group in the European Parliament, called the report "devastating and hard-hitting." She said the commission should "accept its responsibility and resign." If it does not do so,

she said, "we will introduce a motion of censure to force it out."

She said the Socialist bloc, the strongest in the Parliament, would not be satisfied with the resignation of individual commissioners.

The president of the commission, Jacques Santer, planned to meet leaders of the parliamentary political groups on Tuesday morning and was expected to announce the commission's response to the report.

Many legislators speculated late Monday that the commission would resign en masse.

"My view is that the commission should resign tonight," said Edward McMillan Scott, a British Conservative member of the Parliament who has been

See EU, Page 8

China Rebuffs U.S. On Spying Charges

Beijing Moves To Modernize Atomic Forces

By David E. Sanger and Erik Eckholm New York Times Service

Buried deep in the mountains east of Xian, where the Chinese built a terra cotta army to protect the remains of the Emperors, lies a far smaller but lethal force: a half dozen or so intercontinental ballistic missiles that could reach the United States.

The missiles near the town of Luoning are hardly sophisticated by modern standards. The Pentagon believes each is equipped with a single warhead, large but not very accurate, intended for bust-

ing cities. They are mounted atop liquid-fuel rockets that take a full hour of preparation to launch.

In total, China is believed to possess roughly 20 missiles that can reach American shores, and perhaps 300 nuclear weapons that, aboard mediumrange missiles or bombers, could hit Japan, India or Russia.

It is a bare-bones arsenal compared with the thousands of warheads still maintained by the United States and Russia. But the question in Washington this week is whether China's nuclear fleet will stay that way 10 or 20 years into the future or become a far more potent arsenal that could rekindle the kind of fears that shaped the Cold War.

The suspicion that China stole the design of America's most advanced miniaturized warhead - the W-88 from the Los Alamos National Laboratory more than 10 years ago has prompted anger in Washington, espe-

cially in Congress.
On Sunday, President Bill Clinton's national security adviser, Samuel (Sandy) Berger, defended the administration's investigation into the loss, but added, "There's no question that they've benefited from this." The Chinese again vehemently denied the

Despite continuing evidence of Chinese espionage abroad, most experts tally change its largely defensive nuclear strategy or that it will try to alter the imbalance of weapons with the United States.

But many experts outside the U.S. government — including some who have talked at length with Chinese leaders and military officials -- say Beijing is clearly seeking to modernize its nuclear forces, with a 10-year plan to make them more accurate, easier to launch and far less vulnerable to attack than they are today. And it is hoping to use high technology to offset its outmoded conventional forces.

What China seeks, they say, is an arsenal large enough to give them global status and deter the potential for nuclear blackmail, but small enough to avoid the

See MISSILES, Page 8

AGENDA

Renault's Interest in Nissan Sends Its Shares Up 13%

Shares of Nissan Motor Co. soared 13 percent Monday in Tokyo, but Renault SA's stock fell in late trading in Paris amid indications that the companies were close to an alliance in which Renault would buy a one-third stake in Nissan.

After talks over the weekend with Renault in Paris, Nissan's president, Yoshikazu Hanawa, told the Ninon Keizai newspaper that an accord could be out-lined to Renault's board as early as Tuesday.

But Renault cantioned that while it was talking about a deal to buy a stake in Nissan, it had not yet made a firm offer. Page 11.

Alps Jet Charges Are Dropped

CAMP LEJEUNE, North Carolina (Reuters) -The most serious charges were dismissed Monday against a second Marine Corps aviator facing countmartial in the deaths of 20 people killed when a U.S. military jet severed lift cables over an Italian ski resort last year, his defense attorney announced. Captain Joseph Schweitzer, the jet's navigator, will not be tried for involuntary manslaughter and neg-



STANDING ROOM ONLY - Prince Charles of Britain, surrounded by a welcoming party of local residents, visiting Sea Lion Island off the coast of the Falklands, where he is on tour.

With Salvos From Many Fronts, 'Chaos Awaits' Turkey

By Stephen Kinzer
New York Times Service

ISTANBUL -- With a national election approaching, Parliament in open rebellion, terror attacks being mounted against civilians and the trial of a Kurdish guerrilla leader approaching, Turkey suddenly finds itself facing deep uncertainties.

"A chaos is now awaiting Turkey," Prime Minister Bulent Ecevit said over the weekend. "This is a totally new situation. We will have to think about it and see

He was speaking after disgruntled members of Parliament managed to convene an extraordinary session during the pre-election recess to challenge his leadership. The group of legislators put forth a censure motion Monday in an attempt to overturn Mr. Ecevit's [Monday's fire-bombing was the latest in a series of motion Monday in an attempt to overturn Mr. Ecevit's minority government, Reuters reported.

[Kurdish rebels, meanwhile, warned tourists on Monday to keep away from Turkey, declaring va-cation spots among the targets in their drive to win freedom for their imprisoned leader, The Associated Press reported from Ankara.

[Within hours of the threat, a fire-bomb attack hit a fashionable residential district of Ankara where many foreigners live and several embassies are situated,

wounding a passer-by. [Suspicion fell on the Kurdistan Workers Party. which had threatened to escalate attacks since its leader, Abdullah Ocalan, was captured in Kenya on

attacks in the country. In the deadliest of attacks, 13 people were killed in an arson attack on a department store in Istanbul on Saturday.]

Ocalan is being held at an island prison 35 miles southwest of the capital. He is reportedly cooperating with his interrogators, and according leaked accounts of his purported testimony, has expressed repentance

for his group's violent acts.

As Ocalan's admirers seek to decide how to proceed without him, however, at least some have apparently decided to commit acts of urban terror. Such acts have

See TURKEY, Page 5

America Can 'Vent Spleen,

By John Pomfret

Zhu Declares

BEIJING — Prime Minister Zhu Rongji said Monday that reports in the United States that China pilfered nuclear-weapons secrets were a "tale from the Arabian nights" and declared that his U.S. trip next month would give Americans a chance to "vent their spleen" over the tense state of Wash-

ington's ties with Beijing.
In a press conference at the conclusion of the annual meeting of China's rubberstamp Parliament, the 71-year-old Soviet-trained engineer cited the French philosopher Jean-Jacques Rousseau and Shakespeare, chided U.S. Secretary of State Madeleine Albright about her concerns on human rights and poked fun at U.S. fears over alleged North Korean

Chinese are confused by the chill in relations with the U.S. Page 4.

plans to develop nuclear weapons, "All of the advanced weapons are developed by the United States," Mr. Zhu said.

So what really are you so afraid of?" The CIA announced Monday that it would conduct a damage assessment to determine how much sensitive nuclear weapons information, if any, was lost to China through a suspected spy working at the Los Alamos National Laboratory, The Associated Press reported from

Washington.]
Mr. Zhu griped that his photograph on a recent cover of Business Week made him look like a "corpse." He admitted to almost crying as he watched Chinese soldiers try to block floods this summer with nothing but their bodies. He hit a sensitive chord when he pledged that China would never target its missiles against its "brothers and sisters" in Taiwan. And he waxed apologetic, stating that his biggest disappointment last year - a difficult year for China - was

that "I did not do a good job." In both tone and content, Mr. Zhu's conterence Monday markedly from the unprecedented spectacle last year -- his first news conference as China's prime minister. Then, Mr. Zhu issued a series of bold promises, pledging that in three years China would have a new housing system, a new banking system and a rejuvenated state-owned sector. On Monday, Mr. Zhu was much more tentative about China's economic future. While he scoffed at some Western reports claiming a major crisis was brewing in China, he acknowledged that the Asian economic crisis had affected China

more seriously than he had expected.

Citing Shakespeare's "Merchant of Venice," Mr. Zhu asked foreign banks not to demand their "pound of flesh" - or early repayment - of loans taken out by Chinese financial institutions. The bankruptcy of a major Chinese investment house, Guangdong International Trust & Investment Co. in October roiled China's financial markets. He also pledged that China's telecommunication and banking sectors would be opened further to foreign investment but he did not say when.

See CHINA, Page 8

Cuba Sends 4 To Prison in **Political Trial**

The Associated Press

HAVANA — Risking international criticism, the government Monday sentenced one of Cuba's best-known dissidents to five years in prison and set lesser terms for his three co-defendants.

The conviction and sentence for Vladimiro Roca, a former military pilot and the son of the late Cuban Communist Party leader Blas Roca, was announced during the midday news.

Mr. Roca's wife, Magaly de Armas, said: "It is wrong, it is unjust," adding.

"We are going to appeal immediately." A five-member tribunal tried Mr. Roca and three others behind closed doors the first week of March.

The court set sentences of four years each for the lawyer Rene Gomez Manzano and the engineer Felix Bonne and three and half years for the economist Marta Beatriz Roque.

The four were arrested July 1997 for criticizing a Communist Party docu-

They were also accused of encouraging Cubans not to vote in that year's elections, holding two news conferences with foreign media, exhorting foreign businessmen not to invest in Cuba and asking Cuban exiles to encourage their kin on the island to undertake acts of civil disobedience.

Is the Information Age Making Us Any Wiser?

By Joel Achenbach ngton Post Service

ASHINGTON - Tom Mann is the restless gentleman at the Library of Congress reference desk who, given a question, will whirl up a spiral staircase and pop back down with the perfect book, his fingers flying to the right page.

These days, Mr. Mann is that oxymoron, a raging

librarian. He's angry about a proposal to shelve books at the library not by subject matter but by size. Such a system, Mr. Mann says, would eliminate browsing
— 'discovery by serendipity,' as he calls it.

But what's going on here is much bigger than a shelving dispute. Tom Mann's protest is but a puff of wind in a gathering storm — the information

Institutions and individuals alike are coping with a deluge of books, journals, tapes, legal records, documents, electronic mail and torrents of raw data. All this material is supposed to be stored and preserved. Compounding the problem is the fact that information disintegrates. Books turn brittle.

Tapes fall apart. Films degrade into gunpowder.
The latest crisis is digital preservation. The binary code surging through wires all over the world is in danger of turning to gibberish as computer pro-

grams become obsolete.

At the National Archives, staff are trying to preserve electronic data from the Reagan and Bush administrations. But the computer system used at the White House during the 1980s and early 1990s is already so out of date that the vendor no longer will

The problem is a bit like the Y2K computer bug, a flaw built into the structure of the computer universe. From a preservation standpoint, an electronic document may as well have been scrawled with a wet finger on a paper napkin.

The Information Age, the experts warn, could

become a blank spot in human history.

Every day, James Billington, the librarian of Congress, worries about the nuts-and-bolts issues such as shelving and digital preservation, but he also worries about broader philosophical matters, such as: Are we truly wiser with all this information?

In 1472 the library at Queens' College in Cambridge, England, had 199 books. At the height of the Renaissance there were people who could claim plausibly to have read every important book ever

Today, no one can read everything. The world of knowledge is a vast ocean; the best you can do is

occasionally go for a swim.

More than 50,000 books are published every year in America alone. The number of journals published globally is estimated at 400,000. Soon every home will have access to hundreds of television channels. The World Wide Web now has millions of sites.

"It's significant that we call it the Information Age," Mr. Billington said. "We don't talk about the

Mr. Billington subscribes to a formula: Raw data can be turned into information, which then, through much added effort and value, can rise to the level of knowledge, which is the foundation for wisdom.

But he says that in this era of data overload, we may be going in the wrong direction. "Our society is basically motion without memory." Mr. Bilgton said. "Which, of course, is one of the clinical definitions of insanity.

Almost from its origin, the Library of Congress had the ambitious goal of a universal collection. When British forces burned the Capitol in the War of 1812, they destroyed most of the library's books.



James Billington, the librarian of Congress, with a copy of the rare Russian book The Apocalypse of St. John.' Society today is 'motion without memory,' he says.

Thomas Jefferson offered to sell Congress his own collection of books, many in French, Spanish, German, Latin and Greek.

Cyrus King, a Federalist Party lawmaker, objected: "The Bill would put \$23,900 into Mr. Jefferson's pocket for about 6,000 books — good, bad and indifferent; old, new and worthless, in languages

which many cannot read, and most ought not to. Mr. Jefferson countered that there was "no subject to which a Member of Congress may not have occasion to refer." Congress bought. The Library of Congress soon became jammed, with books overflowing the shelves.

HE JEFFERSON Building in 1897 provided a new, spacious home, but that, too, filled up. Two courtyards were converted to book stacks. They filled up. The opening in 1939 of the Adams Building relieved the problem, but then it filled up. The Madison Building, larger than any building in the area except the Pentagon, was added in 1980. It filled up. A new warehouse 40 miles (64 kilometers) from Wash-

ington will open next year.

The library has 113 million items, and every morning 20,000 more pour into the loading dock. The stacks are so full that in some areas the floor is used as an auxiliary shelf.

Mr. Billington struggles with the problems of running the world's largest book stack.

His desk is cluttered with the multiple media of the modern workplace: newspapers, videos, memos, books, magazines. He can talk on the phone, write on a computer or bang out a letter on the electric typewriter he refuses to relinquish. He is not fond of electronic mail and doesn't surf the Internet.

Like Tom Mann, Mr. Billington is a book person in an electronic age. But although Mr. Mann and many other librarians are horrified by the idea of shelving by size, Mr. Billington does not seem

bothered by the proposal. He feels the library must

Mr. Billington has a vision of a library without walls, an "active catalyst for civilization." as he once put it, rather than a "passive mansoleum" for old books.

The entry point is the Internet. The library has been putting many of its priceless prints, maps and documents on a searchable World Wide Web site. Everyone in the knowledge business is racing to

keep up with changing research habits.

The dream of many librarians is that someday the collective knowledge of civilization will be available on the Web. Right now it isn't. It takes time and costs money to scan a book into a digital format, and no one can afford to do that with the millions of

books at the Library of Congress.

A venture called Project Gutenberg aims to put 10,000 texts on-line by 2001. Tom Mann, for one, is dismissive of the effort. The e-texts, he says, will never catch up — in fact, they're falling further and further behind; the library gains 10,000 new books every two weeks.

Mr. Billington says the library must play a role in saving the Internet from turning into a dumb-bunny domain, a mere offshoot of what he calls the "audiovisual culture.

The Internet shortens attention spans, he says. It destroys the sentence, the foundation of the English language, with its diction-mangling chat rooms. And the Internet is heavily skewed toward recent information, with little trace of older material. A person might surf the Web for hours and not encounter anything written before 1995.

"It's inherently destructive of memory," Mr. Billington said.

"You think you're getting lots more information. until you've found out you've made a bargain with the devil. You've slowly mutated and have become an extension of the machine."

Secrecy on El Al Crash Angers the Netherlands

By Charles Trueheart Washington Post Service

THE HAGUE - Six and a half years after an Israeli cargo jet plowed into a low-income housing complex near Amsterdam, killing 43 people and injuring dozens, the fallout from the crash is spreading to the Dutch government and its bidge to the Dutch government and its historically close ties to Israel.
Incomplete or unsa isfactory answers

from Israel about what the El Al freighter was carrying and a pattern of Dutch buck-passing and paper-shuffling led to a parliamentary inquiry. It ended last week with an uncharacteristically sharp

burst of official Dutch anger at Israel.
Prime Minister Wim Kok, who took office two years after the crash, and his predecessor, Ruud Lubbers, expressed their ire at what the Dutch say has been persistent stonewalling by El Al and the Israeli government as authorities sought information about the contents of the Boeing 747-200 as it set out from Amsterdam's Schiphol international airport on the second leg of its New York-to-Tel

The cause of the crash was established fairly quickly: fatigue in a "fuse pin" on the engine mount. But what began as an accident turned into something else -- a ters) east of the airport.

Documentation turned over last year to the parliamentary inquiry confirmed that the jet had been carrying not just electronics, flowers and perfume, as originally claimed, but also DMMP, part of a combination of elements used to over this scandal is at odds with a postmake sarin nerve gas. It was bound for a biological research institute in Israel. El Al maintains the DMMP was to be used for testing gas masks.

The commission also discovered that the plane contained 600 pounds (270 kilograms) of depleted uranium, used for ballast in the tail section of the older aircraft.

Adding to the Dutch concern, it was not until last month that Israeli officials turned over key evidence to the inquiry that they had long maintained they could not find, including detailed bills for a 20-ton portion of the jet's 114-ton cargo that had long been unaccounted for.

"I am not content, to put it mildly, that it did not appear to be possible in the normal exchange between nations to get essential information on the table," Mr. Kok said in testimony last week to the which the Netherlands is supposed to have with Israel?"

Mr. Lubbers, who is now retired from politics, was able to speak more plainly. 'I am angry with the Israeli authorities,' say that as a friend of Israel. It is in-

conceivable that they didn't tell us." The Dutch laments about Israeli secretiveness extend even to the alarming

minutes before the plane went down on Oct. 4, 1992. "The crew only gave sparse information concerning their problems and intentions, the official crash report complained. Six minutes after takeoff, the pilot radioed his first Mayday. The jet had lost one of its four engines — then it lost another. Eight minutes later, as it sought to return to Schiphol, it plowed into a pair of 11-

story apartment buildings.
Pleas of ignorance and charges of withheld facts have been a familiar theme as the investigation dragged on. The two prime ministers and dozens of other ministers and senior officials say they were never told of troubling questions being raised about the way the investigation was being pursued. As many as eight Dutch ministries were involved without apparent coordination.

The scandal has tested the Dutch published without apparent coordination.

lic's faith in its clean and efficient consensus-style politics, and there could be casualties to the coalition government that has presided over unprecedented economic growth and stability in this country of 17 million since 1994.

Els Borst and Annemarie Jorritsma, the two deputy prime ministers, had ke roles in other cabinet posts at the time of the crash or during the inquiries; Mr. many-fingered mystery about what Kok was finance minister at the time, might have burned up in the crash and contributed to more than a thousand medical complaints from residents in a neighborhood eight miles (12 kilometres) east of the circumst. ritsma and force them to resign.

Analysts here say that would knock away two pillars of Mr. Kok's coalition and his government, already under other

war tradition of close cooperation. The ties were symbolized by El Al's privileged position at Schiphol, one of Barope's busiest airports. "Everyone knew El Al was something special, but that was not documented anywhere," Mr. Lubbers told the inquiry.

Since the airport served as a refueling stop in the airlift of U.S. weapons to Israel during the 1973 Arab-Israeli war it has become El Al's European hub. thousand El Al cargo flights stop at the airport every year, carrying 90,000 tons of freight, as do 300 passenger flights. Either under its own name or that of a Dutch ground services company, El Al employs 180 people, including security detachments, at Schiphol's offices and

2.7

tang, _

News reports have left an impression of an Israeli fieldom enjoying immunity parliamentary commission. "How does from normal procedures, and of close this tally with the special relationship collusion between Dutch authorities and El Al their special guests. The cockpit voice recorder was never found, although the flight data recorder was, and a Dutch investigation concluded it had probably been stolen from the crash site.
Investigative ionimalists led by the Dutch daily NRC Handelsblad believe. but have been unable to prove, that Israeli security personnel, who were at the site within minutes of the crash, might

have taken the voice recorder. They also have wondered in print about conversations the jumbo jet's pi-lots might have been having with El Al superiors during gaps in the transcripts of the cockpit conversations just before impact. And they have sought to establish why, the day after the crash, El Al rushed special jets to Schiphol and what they might have airlifted out.

Although more than a thousand people in the Bijlmer neighborhood attribute a health problem to the crash, the hospital has concluded that a link to the jet's cargo cannot be proved.

DMMP is not considered harmful unless ingested, according to the U.S. Federal Aviation Administration. The depleted uranium emits a low-level alpha radiation and is similarly not hazardous The defeated candidate in Nigeria's unless ingested, but can be toxic if barned at high temperatures. Although more than half of the uranium was recovered, it is still not known what happened with the rest.

behalf of the heavily immigrant neighbors continues. Mr. Kok acknowledged that "those involved in the Bijlmer disaster have been kept in the dark for too long. That is incomprehensible given their health complaints."

Taunting Lyrics of Late Singer Are Still Ruffling Nigeria's Rulers

By James Rupert

LAGOS - At the Fela Music Library, a tin-roofed nook built into the end of a narrow alley, it seemed that you could hear all Nigeria at once.

In a nearby street, drivers and vendors battled for rights to potholed asphalt, honking and hawking. As usual, the electricity was out, so in the alley a little generator roared like a lawn mower. Against the clamor of a city struggling

through another day, two voices rose. From a flickering TV, Nigeria's deputy leader, an admiral, lectured on the need hand power back to civilian rule in May. And from a tape player, Fela Anikulapo-Kuti wailed that the military officers were thieves who robbed the nation and only pretended to give up power.

During nearly 30 years of military

rule, Nigeria has spawned articulate dissenters. Chinua Achebe and Wole Soyinka are among the best-known Af-

easily found, and afforded, in the West than here. In the streets of Nigeria's teeming cities, the voice more heard is that of Fela, the singer and saxophonist who melded African musical traditions, jazz and funk into Afrobeat, a cry of

black African underclass protest. In the 1970s and '80s, Fela condemned Nigeria's rulers for corruption and brutality, declaring in the title and lyrics of one record that Nigeria's VIPs were "Vagabonds In Power."

An outlandish showman on stage, where he often performed wearing only for discipline as the military prepared to bikini underwear, Fela provoked his foes with a counterculture lifestyle. He founded a commune in Lagos that he declared an independent republic, naming it Kalakuta, after a jail cell where he had once been held. He smoked marijuana, slept around and once married 27 of his dancers in a single ceremony.

Fela died of complications from AIDS 19 months ago, but the incoming

that will be dominated by the established elite: wealthy, retired officers and their civilian political and business partners.

To survive deepening economic crisis and the military's habit of overthrowing civilian rulers, Mr. Obasanjo will have to win support beyond the fewer than 20 percent of Nigerians who voted for him. Skepticism about him is nowhere stronger than among Fela's disciples.

"Obasanjo is coming back as a ci-vilian, but he's still a soldier," said Femi Osunla, Fela's longtime photographer, adding, "I don't think we have any chance for real democracy" under him.

Mr. Obasanjo rose to power in 1976 when his predecessor was assassinated. He organized elections and, in 1979, handed power to a civilian government, an act that built him a global reputation as a soldier-democrat. But in Nigeria, Mr. Obasanjo 's image is mixed, largely

rican writers. But they now live in the United States and their books are more contend with Fela's voice. A former tary clashed most spectacularly with oligarchies that were bequeathed their military ruler, Mr. Obasanjo won last Fela. After years of harassing or armonth's election to head a government resting Fela on minor charges, the military in 1977 sent hundreds of troops to assault and burn Fela's commune. Troops beat Fela and others and threw Fela's 77-year-old mother out of an upper window, causing her injuries from which she ultimately died.

Fela, an ethnic Yoruba and son of one of Nigeria's most politically prominent families, studied music in London, founded a band and, in 1969, toured the United States.

Fela was electrified by the black na-tionalist and pan-African ideas of African Americans. He returned to Nigeria saluting surprised audiences with the clenched fist of black power and began singing his political critique.
Fela's movement is now largely in the

hands of his son, Femi Kuti, a band leader. Mr. Kuti heads the Movement Against Second Slavery, which holds free concerts at universities to spread

power by the European colonial rulers.

Mr. Kuti, who avoids confrontation with the authorities, says his music is "very commercial," in an effort to broaden its audience. But the message is little changed. In a recently released song, he laments: "But with these kind of leaders, Africans no get hope. Africans will suffer till the suffer reach our bone."

■ Election Outcome Contested

Feb. 27 presidential election, Olu Falae, filed a legal challenge Monday to the overwhelming victory of General Obas-anjo, Renters reported from Abjua.

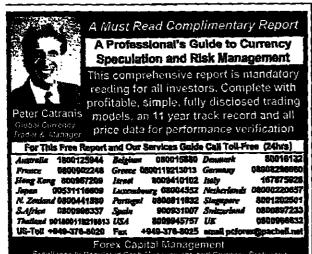
The challenge was based on suspicions of ballot fraud and bribery, and it victims' families as a class-action suit of also said that General Obasanjo was anfit for office because he had once been

convicted of treason. Few Nigerians expect Mr. Falae's appeal to prevent Mr. Obasanjo from taking office on May 29.

TRAVEL UPDATE

HARTFORD, Connecticut (Reuters) - The Ides of March brought damp, heavy snow to the northeastern United States on Monday, closing hundreds of schools and knocking out power in parts of the region.

The storm was expected to leave accumulations of 4 to 12 inches in parts of Connecticut, Massachusetts and Rhode Island. The storm also hit the mid-Atlantic region, leaving streets a slushy mess in Washington and New York and shutting schools in parts of Virginia and Maryland. At Boston's Logan International Airport, up to 150 flights were canceled.



Snow Snarls New England Traffic 3 U.S. Carriers Join in Fare Increase

NEW YORK (NYT) - Northwest Airlines, US Airways and TWA raised their ticket prices over the weekend, matching fare increases last week by other major U.S. carriers. It was the industry's second price increase this year.

The airlines raised the fares for the last-minute unrestricted tickets favored by business travelers by 1 percent and for the process the second of the process travelers by 2 percent. The previous ways of

advance-purchase tickets by 3 percent. The previous wave of increases, which began in late January, raised business fares by 2 percent and leisure fares by 4 percent. Before that, there had not been a general fare increase in more than a year.

Israeli Public Strike Disrupts Ports

JERUSALEM (AP) - About 60,000 workers in Israel's public sector began a work slowdown Monday after wage talks with the government broke down, disrupting airports and sea ports. Customs inspectors sat in their offices while a computer scanned suitcases for long lines of airport passengers. Work at government offices and public hospitals also was disrupted, and cargo at sea ports was held up.

Iberia pilots on Monday called a strike for Easter week, one of Spain's busiest travel periods, to pressure management to sign a new contract and honor a deal on hiring. (AP)

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WEATHER eday through Friday, as provided by AccuWeather.

North America Turning much milder over the central and northern warm in London Wedness Wednesday, then dry with day. Some snow in the southern Rockles Wednesday to the day and Friday. Stormy in day, then soeking rain in Texas by Friday. The Thursday and Friday Stormy in the eastern Maditerranean but abovers may have showers Wednesday, then fore Greece to Turkey. As area of soaking rain mostly surnry and mild for Turning colder from southern Korea and south-Ulvarian into southeastern. Europe.

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THE AMERICAS

Doubts Slow a Plan to Destroy 'Last' Smallpox Viruses

By David Brown

WASHINGTON — A plan to destroy the world's last known samples of the smallpox virus is being threatened by a growing suspicion that secret supplies of the virus probably exist, increasing the chances it could fall into the heads of a room action or introduct morning. the hands of a rogue nation or terrorist group.

If that is the case, some scientists say, stocks of the deadly virus should be kept so they can be used to help develop antiviral drugs and a better vaccine against the disease, which was better vaccine the world in 1978.

That view, however, is not universal: Some people say destruction of the known viral stocks, planned for this year, would actually

discourage the use of any pirated ones.

An expert panel convened by the National Academy of Sciences Institute of Medicine was to offer its opinion Monday on future -scientific needs for the virus, which officially exists in only two places — the federal Centers for Disease Control in Atlanta and a laboratory

and Human Services and is expected to carry substantial weight in a debate within President Bill Clinton's administration on whether to support the World Health Organization's rec-

ommendation to incinerate the remaining supply of the smallpox virus June 30. That plan is to be reviewed in May when presentatives of the 190 members of the

WHO meet in Geneva.

The date for the destruction of the virus was similar meeting in 1996. After that, scientists in the United States and

Russia were to clone pieces of the virus's genes into harmless samples suitable for research. Although some researchers argued for keeping the virus indefinitely, the consensus was that doing so would pose risks that far outweighed any scientific insights that might

be gained. Events of the past few years, however, have challenged that view.

"One would have to be ridiculously optimistic to conclude there are now only two

ington, said last week. "And I do mean ridiculously optimistic."

This view is shared, somewhat less embers also be shared. The shared in the proposents of destruction argue that the

phatically, by advocates of virus destruction, who until recently doubted there were secret stores of smallpox.
"I think there's more in Russia than in the

one center," said Donald Henderson, the American physician who led the global smallpox-eradication effort from 1966 to 1977. There's no question about that."
Recent revelations that the Soviet Union

made industrial quantities of smallpox for years after it signed a 1972 treaty prohibiting such work has undercut Russian credibility. "I think the likelihood that the Russians destroyed everything except what they had in the WHO laboratory is very small," said Frank Fenner, an Australian physician, now 84, who headed the global commission that "certi-

fied" the world as smallpox-free in 1980. "If we are serious about bio-defense, the stocks are necessary for developing an anfor Disease Control in Atlanta and a laboratory run by the Russian government in Siberia.

The report was requested by the Department of Defense and the Department of Health at the Henry L. Stimson Center in Wash-

essential scientific work can be done without live samples of the virus and that its destruction would make a moral statement about its use that even terrorists could not ignore.

If smallpox were to reappear, Mr. Fenner said, "it couldn't be the result of untoward escape from a laboratory." He added: "It would have to be from deliberate use. That could then be condemned as a horrendous crime against humanity - reintroducing a disease that the world with great effort had freed itself from." Last year, the WHO polled its members to learn whether there was still agree-

ment on destroying the known stocks of virus.

About 70 nations responded. The United States, Britain, France and Italy said they were undecided. Russia said the virus should be retained. All the rest favored destruction.

Routine vaccination for smallpox ended decades ago. Except for some soldiers and laboratory workers, nobody has been vac-cinated anywhere since 1983. As one result, virtually the entire population of the world now would be susceptible to the disease.

U.S. Troops Should Quit Haiti, Commander Says

By Douglas Farah

WASHINGTON - The commander of U.S. troops in Latin America has recommended that the United States end its fiveyear military presence in Hairi, arguing that American forces have not been able to create stability in the volatile nation and

General Charles Wilhelm, commander of the U.S. Southern Command, made the comments in testimony to a closed session of the defense subcommittee of the House Appropriations Committee on Feb. 25.

General Wilhelm's bleak assessment of the political and security situation in Haiti and his advice that the United States "terminate" its presence there and rely instead on periodic visits by U.S. troops came as the Clinton administration's Haiti policy was coming under increasing fire in Congress as well.

In that regard, his comments marked a significant challenge to a policy that administration officials have cited as a model for the use of U.S. military forces to help resolve instability and ethnic conflict in the post-Cold War world. In September 1994, President Bill Clinton's administration

deployed 20,000 troops to Haiti to restore the democratically elected government of Jean-Bertrand Aristide. The U.S. troops participated in peacekeeping efforts and helped oversee the disbanding of security forces blamed for political killings, torture and illegal detentions.

Although the Clinton administration has often hailed the Haitî mission as a success, political bickering in Port-an-Prince, the capital, has paralyzed the government of Mr. Aristide's successor, Rene Preval. Political assassinations in recent weeks have highlighted the impoverished nation's inability to overcome its habitual polarization and fragmentation.

While most of the troops withdrew after a year, about 500 American soldiers — mostly Army reservists rotating through on short-term assignments - remain in Haiti.



HAZE OVER THE SUNSHINE STATE - Brush fire threatening a house in Golden Gate, Florida. Two quick-moving fires endangered 200 buildings, forcing residents out and shut a section of Interstate 75 across the Everglades known as "Alligator Alley" before rain and 600 firefighters doused them.

Away From **Politics**

• About 1,000 people marched in a "vigil of hope" in Modesto, California, to lend comfort to two families searching for their relatives who disappeared one month ago while visiting Yosemite National Park. Among those who attended the march Sunday were the families of Carole Sund, her 15-year-old daughter, Julie, and a 16-year-old Argentine exchange student, Silvina Pelosso. (AP)

 Incidents of anti-homosexual harassment have increased in each of the armed services, a legal group that represents gay men and lesbians says in a report five years after the Clinton adminstration adopted its "don't ask, don't tell' policy for homosexuals in the military. The Servicemembers Legal Defense Network says that many gay men and lesbians have been forced to abandon military service. (NYT)

• Ford Motor Co. will pay a civil fine of \$425,000 in a settlement with the federal government for failing to recall vehicles promptly and withholding information during a safety agency's investigations into fires in Ford cars and light trucks. Federal officials said Ford was too slow in recalling and fixing 8.6 million vehicles in 1996.

Chafee Declines to Run Again

PROVIDENCE, Rhode Island — Senator John Chafee, 76, an influential moderate Republican first, elected in 1976, announced Monday that he would retire next year, declining to seek a fifth term. He becomes the second Republican senator to amounce that he will not seek re-election in 2000.

"It's time to try something else," Mr. Chafee said at a news conference at the Rhode Island State House, where he was flanked by family members. His voice broke when he said: "I want to come home."

A scion of one of Rhode Island's most powerful families, Mr. Chafee is perhaps the most popular Republican in state history. He is the senior member in a dwindling group. of Republican moderates, working to forge compromises in divisive areas such as health care and child care. And as chairman of the Environment and Public Works Committee, he is a key voice for environmental protection.

The Republican Party could end up losing Mr. Chafee's seat in next year's election. Rhode Island is predominantly Democrat, and at the moment the state party does not have a strong candidate for the job. (AP).

Gephardt Endorses Gore

WASHINGTON — Vice President Al Gore, kicking off the first official political trip of his 2000 campaign, secured the endorsement Monday of Richard Gephardt, the House minority leader.

A spokeswoman for Mr. Gephardt, Laura Nichols, said the Missouri congressman assured Mr. Gore in mid-February of his support.

Mr. Gephardt and his staff were with the vice president. on board Air Force Two on Monday morning en route to New Hampshire and Iowa, where they hope to energize supporters. The two also will appear in St. Louis, Mr.

Gephardt's hometown.

While at least 10 Republicans have shown signs of running to become their party's standard-bearer, Mr. Gore's status as the Democratic front-runner so far has scared off all but one major challenger, former Senator. (AP, Reuters) Bill Bradley of New Jersey.

McCain Attacks Foreign Policy

WASHINGTON — Senator John McCain said Monday that the Clinton administration's inability to develop a foreign policy worthy of the world's only superpower has endangered national security and left the United States more vulnerable to aggression from China.

In the first major foreign policy speech of his emerging campaign for the White House, Mr. McCain, Republican of Arizona, also lambasted the administration for a lack of long-term strategy in dealing with North Korea, Iraq and

the recurring violence in the former Yugoslavia.

President Bill Clinton's tendency has been to "put off resolution of the most difficult problems, often substituting photo-op diplomacy for meaningful action," said Mr. McCain, a member of the Senate Armed Services. Committee and a decorated Vietnam War veteran.

'Often evident in administration policies is a mystifying uncertainty about how to act in a world where we are the only superpower," Mr. McCain said in a speech prepared for delivery at Kansas State University in Manhattan. Kansas. And in engaging China, he contended, the administration has "left the United States more vulnerable to a ballistic missile attack."

AMERICAN TOPICS

Not Just Blowing Smoke, Farmers Want Legal Hemp

In colonial America, the hemp plant was used to make sails, rope, paper and cloth. Drafts of the Declaration of Independence were written on hemp-fiber paper. Thomas Jeffer-

son cultivated hemp.
But the anti-marijuana backlash of the 1930s, fueled in part by movies like "Recfer Madness," led to bans on the weedy plant, a nonpsycho-active relative of marijuana. Today, reports U.S. News & World Report, U.S. farmers are lobbying for an end

The pro-hemp push gained steam last summer and fall when farmers in North Dakota, whose wheat and barley crops had been hit by flood and disease, reported paltry profits of \$25 an acre - even as their cross-border counterparts were earning \$225 an acre in Canada's first legal bemp harvest since the 1930s.

Industrial hemp contains negligible amounts of the mind-altering chemical THC, and it is versatile and environmentally friendly, say its pro-

Virginia has endorsed controlled

cultivation; similar action is pending in 11 other states:

To the fears that legalized hemp cultivation would make it easier to hide marijuana plants, hemp defendpollination would lower marijuana's potency. The government, they add, could save millions of dollars a year now spent needlessly eradicating wild

Short Takes

Despite opposition from Louisville officials, the Kentucky Derby Festival is proceeding with plans for a fire-works and air show April 17 that will include a re-enactment of the bombing of Pearl Harbor by replicas of Japanese aircraft.

All 12 city aldermen criticized the planned simulation in a letter to the festival president. Officials of the world-famous horse race, however, said the re-enactment was intended not to glorify war "but to honor those who have sacrificed so much for free-

Dope on Dogs: There are 58 million dogs in the United States, according to Governing magazine.

Twenty-eight million dog owners

say they buy Christmas gifts for their dogs each year. Nearly 10 million celebrate their dogs' birthdays; 17 percent say they keep a picture of their pet in their purse or wallet. More than 6 million say that they are as attached to their

dogs as they are to their children.

In today's in-your-face world, the people of rural western Maryland are apparently just too nice.

Unitel Corp., which helps businesses sell things over the telephone.

is moving about 100 jobs from Frost-burg, Maryland, to Florida in hopes of finding more aggressive salespeople.
"The culture and the climate in

western Maryland is one of helping your neighbor and being empathet-" said a Unitel vice president, Ken Carmichael This, Mr. Carmichael implied, is

not something telemarketers want.
Frostburg has lost thousands of
manufacturing and coal mining jobs over the years, but Mayor John Bambacus is taking the loss of Unitel in

"We would rather be nice than aggressive," the mayor said. "Frostburg is not the Bronx."

Some grade-school students just complain about the lunchroom food. Ryan Rose of Alcoa, Tennessee, got a lawyer. "Me and my friends got mad," said Ryan, 10, so he contacted Monte Walton, a Knoxville lawyer, who is charging Ryan \$1, a bit of a discount over his usual fees.

The attorney drew up a petition, hinting that he would seek an amicable solution: It might involve adding hamburgers to the menu.

Brian Knowlton

Pierce Brosnan's Choice



The sign of excellence

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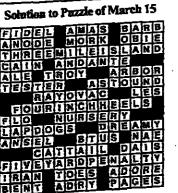
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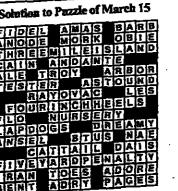
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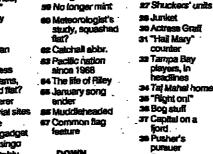
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Beijing Confused as U.S. Relations Go Sour and Key Assumptions Fail

By John Pomfret Washington Post Service

BEUING - In mid-December, within the garish confines of the Media Hotel in Beijing. scores of Chinese experts and officials involved in relations with the United States gathered to celebrate 20 years of formalized relations be-tween China's Communist government and

The mood was self-congratulatory, recalled one participant, as the dignituries toasted themselves on the successful completion of two summit meetings with President Bill Clinton, what many called a new understanding on Taiwan and the sense that U.S.-China ties had entered a "new era."

Three months later, souring ties between the world's most populous country and the sole su-perpower have silenced China's buoyant mood. American accusations that Chinese spies pilfered U.S. nuclear-weapon designs in the late 1980s, a recent 99-0 Senate vote against China's human rights record, talk in Washington about

"We really didn't expect this was going to happen," said a senior Chinese government ad- viser who has watched the recent setbacks with alarm. "Many of

ANALYSIS us don't know what to do." The sudden decline of U.S.-China relations is not the only unsettling development that has taken China's leadership by surprise. Challenges to some of China's core assumptions about its security have arisen in the past year, involving not only the United States but also North Korea and the newly nuclear-poised nations of India and Pakistan.

Several other elements figure in what Beijing views as a new and confusing international environment

Continued U.S. economic growth has ob-

Chinese officials saying they were blindsided by a new chill in Beijing's relations with Wash-economy will surpass that of the United States, and Beijing will replace Washington as Asia's main power broker.

Indeed, the U.S. economy grew 6.1 percent in the last quarter of 1998, argnably faster than China's. U.S. gross domestic product stood at \$8.5 rillion in 1998. China's was about \$1 rillion.

• China signed the 1996 Nuclear Test Ban Treaty with the assumption that its strategic circumstances would remain relatively stable and

improve over time. Nuclear weapons tests by India and Pakistan last spring, however, ended China's reign as the lone nuclear power in Asia. They also forced strategists in the Chinese army and government to refocus attention on China's southwestern

flank - an unwelcome diversion from Beijing's main task, which is reuniting with Taiwan China also assumed that the deep cuts in the

its nuclear forces. But the treaty's recent collapse "trashed all that," said Bates Gill, a China security expert at the Brookings Institution.

The Aug. 31 firing of a North Korean rocket over Japan galvanized opinion there and in the United States about the necessity of closer military ties - including development of a regional missile defense system, known as theater missile defense. The three-stage rocket also shot down the Chinese assumption that it would not have to choose between helping to bolster North Korea as a friendly buffer state or alienating South Korea, Japan and the United States.

Indeed, China has very hard choices to face in its relations with Pyongyang. The two countries are celebrating 50 years of close ties, and Chinese officials say they expect a senior North Korean official will visit China this year.

It is too early to tell whether these reversals of China's assumptions and its rockier ties with the

providing Taiwan access to U.S. missile-defense literated a key Chinese assumption that the technology and increasingly cozy military ties between the United States and Japan have left China's faltering economy, has challenged a literated a key Chinese assumption that the Russian and American nuclear arsenals, as enunited States will cause Beijing to adopt a more visioned in the START-2 strategic arms limaggressive stance in Asia. Nonetheless, when the United States and Japan have left China's faltering economy, has challenged a literated a key Chinese assumption that the visioned in the START-2 strategic arms limaggressive stance in Asia. Nonetheless, when the United States and Japan have left connected it has rarely played a literated a key Chinese assumption that the visioned in the START-2 strategic arms limaggressive stance in Asia. Nonetheless, when the United States and Japan have left connected it has rarely played a literated a key Chinese assumption that the visioned in the START-2 strategic arms limbetween the United States and Japan have left connected it has rarely played a literated a key Chinese assumption that the visioned in the START-2 strategic arms limaggressive stance in Asia. Nonetheless, when the United States are literated a key Chinese assumption that the visioned in the START-2 strategic arms limaggressive stance in Asia. Nonetheless, when the United States are literated a key Chinese assumption that the visioned in the START-2 strategic arms limbetween the United States and Japan have left connected in the START-2 strategic arms limbetween the United States and Japan have left connected in the START-2 strategic arms limbetween the United States and Japan have left connected in the START-2 strategic arms limbetween the United States are left connected in the START-2 strategic arms limbetween the United States are left connected in the START-2 strategic arms limbetween the United States are left connected in the START-2 strategic arms limbetween the United St tentative hand, Western officials say, and in re-

cent weeks it has been talking and acting tough.

It has criticized the United States and Japan for considering development of a missile-defense system for both the United States and Asia. It has warned the United States to end its sales of hightech weaponry, especially missile defense systems, to Taiwan, saying it would be the "last straw" in U.S.-China relations.

China has also responded by seeking support from Russia, which shares China's concerns about both theater missile defense and military

ties between Washington and Tokyo.
Some Western officials have predicted that if China continues to feel threatened, it will move further toward Moscow.

At root, the clash between Washington's and Beijing's viewpoints is a traditional one - between an entrenched power, the United States, and a resurgent one, China.

Fear Grows in East Timor As Area Weighs Its Future

By Michael Richardson

International Herald Tribune SINGAPORE - When United Nations officials arrive in East Timor later this week to start preparations for a ballot on whether the disputed territory should have autonomy within Indonesia

BRIEFLY

Afghan Talks End

ASHGABAT, Turkmenistan --- Afghanistan's warring factions prepared to fly home from peace talks Monday after forging a power-sharing agreement in-tended to end two decades of conflict.

Mohammed Younus Qanouni, head of the opposition delegation at the negotiations in Ashgabat, reiterated his optimism that the deal reached Sunday, though lacking in detail, was a major step toward ending the warfare that has devastated Afghanistan.

"The agreement represents a new era in the history of Afghanistan," he said. Wakil Ahmed Muttawakil, leader of the negotiating delegation from the Taleban, which rules 90 percent of Afghanistan, was slightly more cautious but also said the deal represented sig-nificant progress. "We are hopeful of a lasting peace, because we both share good intentions." he said. (Reuters)

Anwar Defense Rests

KUALA LUMPUR - Anwar said Monday that he expected to be sent to jail, as his defense closed its case in his corruption trial that has exposed divisions in Malaysia's ruling coalition.

Asked how long he thought he would spend in jail after the now four-monthold trial. Mr. Anwar said, "Two years, four years, it makes no difference. Mr. Anwar's lawyers said they ex-

pected a verdict in early April after submissions by the defense and the prosecution next week.

19 Hurt on Korean Jet

SEOUL - A Korean Air Lines jet skidded off a runway in the southeastern city of Pohang on Monday, injuring 19. The MD-83 jet, carrying 156 passengers and crew from Seoul, cracked its fuselage after sliding into an embankment by the runway on its second attempt at landing in stormy weather, a spokesman said. One of the injured had a fractured

spine, he said. 'We have confirmed 10 passengers with spinal fractures and nine others with back sprains and other light in-juries, but luckily there were no deaths," the spokesman said. (Reuters)

or independence, they will face a dannt-

Tensions between pro-Indonesia and anti-Indonesia groups in East Timor are

Local Indonesian officials, including doctors and teachers, are fleeing the ter-

ritory in droves. Foreign-aid workers have expressed concern that supply and distribution net-works will break down as Indonesian

raders leave or prepare to do so.

As a result, a humanitarian crisis may be looming, with serious food shortages and the spread of disease.

Reflecting the concerns of Indonesia's neighbors, The Strait Times, the leading Singapore newspaper, said Monday that the most worrying of the difficulties facing the United Nations was "the possibility of renewed conflict. either forcing a delay in the proposed time schedule, or plunging the territory into civil war if Indonesia withdraws."

The fact that Indonesia and Portugal - the former ruler of East Timor were able to agree to the holding of a "direct ballot" in the territory in talks in New York late last week brokered by the UN was seen as a significant breakthrough, especially since Jakarta has resolutely opposed a vote for fear of en-

couraging separatism in other regions. Also encouraging was the almost simultaneous agreement between the East Timorese pro-independence guerrilla leader, Xanana Gusmao, who is under house arrest in Jakarta, and the head of the pro-Jakarta militia in the territory, Joao Da Silva Tavares, to work toward a peaceful settlement, including a ceasefire and disarming.

The official Indonesian news agency Antara reported Monday that the two sides would hold further talks this

But there is no agreement between Indonesia, Portugal and the United Nations yet on the critical question of how the ballot will be conducted, although the Indonesian foreign minister, Ali Alatas, said Monday it would be in July.

He said that the vote would be conducted by UN teams assigned to visit all areas in East Timor. Those East Timorese who live abroad will also be able to vote. Mr. Alatas added.

One proposal, according to diplomats, is a "rolling ballot" involving UN teams in East Timor traveling to villages.

Whatever the procedure finally agreed, it is clear that Indonesian troops will play a key role - a prospect that worries many East Timorese.

In an interview on Australian television during the weekend, Secretary-General Kofi Annan said that at this UN presence in East Timor would be military, police or just political. "But we will have a competent UN presence which we will build up as we move vised vote would be meaningless unless toward the day of the ballot," he said. Mr. Annan said that the UN was not arming the militia, and unless a UN force orny.



Indonesian troops stopping a high school student who was found carrying knives and arrows on the outskirts of Ambon on Monday.

Military Warns Ambon Foes To Turn Over Their Weapons

AMBON, Indonesia - The Indonesian military Monday stepped up a drive to disarm civilians in an effort to end the Muslim-Christian riots that have

Authorities said those resisting disarmament would be dealt with harshly. "If they do not want to, we will act firmly in the form of shooting on the spot — whether to paralyze or to kill," said Colonel Karel Robert Ralahalu, the head of the armed forces in Maluku Province. He said the military also would set up

centers to take weapons surrendered voluntarily. The military has put up roadblocks to search passers-by and vehicles for weapons. Two high-school students were arrested Monday for carrying knives. On Saturday, 37 people were found carrying weapons that included cut-lasses, knives, spears, arrows and gasoline bombs.

Two helicopters patrolled the sky over Ambon on Monday, and soldiers were on standby. Large banners exhorting an end to the conflicts hung above

Public transportation was running again Monday; the discovery of a body late Saturday had stopped service. Pedicabs, absent since last month, also began to reappear. Several shops and businesses reopened, and classes resumed, although some students and teachers stayed away.

Sectarian clashes have rocked Ambon and other areas of Maluku Province since mid-January, leaving more than 200 people dead.

The Indonesian military took over riot control in Ambon late Wednesday. In Jakarta, Indonesia's armed forces chief, General Wiranto, said that the military was considering reactivating commands that had been scrapped in the 1980s. including the Maluku command.

soldiers from East Timor, although it prevent intimidation. would insist that they provide security ahead of the vote in a fair way.

'We will be vigilant to ensure that there is no hanky-panky and that the kind of security we are looking for is assured by the authorities," he said. "They have given us indications that they will work

very closely with us on that."

He added that it was not realistic to expect that the Indonesian Army or any stage he could not define whether the militia groups could be disarmed before

the vote. Jose Ramos-Horta, the Nobel Peace Prize laureate, said that the UN-super-

planning to ask Indonesia to withdraw its was sent in to monitor the ballot to

He said that the UN should also carry out a census and voter registration. The territory is thought to have a population of about 800,000.

"We do not want the 200,000 Indonesian migrants in East Timor, the Indonesian civil servants and their families all voting on the future of East Timor, "Mr. Ramos-Horta said. "The UN, not the Indonesian military, must guarantee that there is no coercion, no threats, no terror against the East Timorese.

In a free and fair vote, he added, "well over 90 percent" of the East Timorese Indonesian forces withdrew and stopped would favor independence over auton-

Terror Against the Poorest

Indian Landowners Murder to Keep Caste Down

By Celia W. Dugger

New York Times Service SHANKER BIGHA, India - This hamlet on the edge of a lush, palmfringed field lay quiet on the moonlit night of Ian. 25. But as the villagers slept, more than 50 upper-caste men, members of an outlawed landowners' army, crept toward them through rust-

ling spears of wheat.

The men fanned out in the dirt lanes, flinging open the doors of mud huts and shouting: "Kill them! Kill them!" Guns blazing, they massacred 22 people in just a few minutes, among them a 3-year-old boy and his baby sister who were crying as they huddled in their grandmother's

arms. This massacre of farm workers and their families — untouchables at the bottom of Hinduism's hierarchical social order — was numbingly similar to dozens of others committed over nearly three decades in the eastern state of

The state is blessed by mineral wealth and fertile soil but cursed by the nation's highest rates of illiteracy and poverty. Almost nine out of 10 of the state's 100 million people live in the countryside, and more than half are very poor. The untouchables, who make up 14 percent

of the population, are the poorest of the Bihar is now in the midst of an upheaval that has seen the middle castes depose the upper castes from the seats of political power. The untouchables —
now called dalits, which means ground
down in Hindi — have not yet gained an
independent political voice, but they
have begun grass-roots organizing.

And as they have banded together under various leftist banners to agitate, sometimes violently, for higher wages, a share of land and an end to the sexual exploitation of dalit women and other humiliations, both middle- and uppercaste landowners have struck back with

terror tactics. "In the American South after the Civil War, the lynchings of blacks were aimed at curbing their uppitiness," said Ashutosh Varshney, a political scientist at Columbia University. "India never had slavery, but the dalits are as close to slavery as you can get. The massacres are aimed at checking their uppiti-

Successive governments, dominated by the upper and middle castes, have failed since the 1970s to stop the carnage or to address the harsh social and economic inequalities between the landed and the landless that persist in Bihar and in most of north India.

The bloodletting here in Shanker Bigha and another massacre of 12 untouchables on Feb. 11 in the village of Narayanpur set off a crisis that rocked the state's political establishment, humbled the national governing coalition and, for a time, riveted public at- two to 50 acres of land. But by Bihar's

here like an intermittent fever.

The Bharatya Janata Party, which espouses Hindu nationalism, draws most of its support in Bihar from the upper castes and leads the national coalition government. It maintained that the massacres justified its dismissal of the middle-caste state government, widely seen as corrupt and inefficient.

But even after central rule was in-

But even after central rule was imposed last month, the violence contin-ued. Retaliating for the massacres of untouchables, a squad of leftist militants gunned down seven people on Feb. 14, apparently for no reason except their upper-caste status, human rights work-

Four more upper-caste men were slain on March 2.

Police say they arrested 47 members of the landowners' militia, the Ranvir Sena, for involvement in the two massacres, as well as dozens of members of leftist groups. Human rights groups say the police, dominated by upper castes, have in the past cracked down much harder on the leftists than on the landowners' armies.

On March 8, the central government, unable to get its takeover of Bihar ratified in Parliament, took the humiliating step of reinstating the dismissed state

While political intrigues have swirled in New Delhi and the state capital of Patna, the mourning has continued in Shanker Bigha, an isolated hamlet of 300 to 400 dalits.

The village has no electricity, no phone, no school, no clock, no car, no scooter and no health clinic. The villagers are illiterate, and their children go to work in the fields at a young age. When asked how old they are, the men and women, their faces weathered and prematurely aged, look blank. They do

not know. There seems to be no reason with Shanker Bigha was singled out for attack, other than its identity as a dalit settlement. The police and the villageis say there was no dispute between the landowners and the farm workers who labor in the fields for 50 cents a day, less than the widely ignored state minimum wage of almost \$1 a day.

None of the leftist groups organizing dalit farm workers in central Bihar had ever visited the hamlet before the massacre, though they have come since. Most of the villagers said they have never voted. The survivors of the massacre say they recognized some of the killers as familiar residents of Dhobi Bigha, an upper-caste village within plain sight of Shanker Bigha.

Dhobi Bigha is filled with sturdy brick houses inhabited by landowners from the Bhumihar caste, which makes up 3 percent of the state's population. By Western standards, Dhobi Bigha's residents are far from wealthy. Bhumihar landowners in central Bihar own from tention on the violence that has raged standards, they are the rural elite.

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inst the Ry



Rosemary Nelson, a lawyer who condemned the killing as a "disgusting

Human Rights Lawyer Dies in Ulster Car-Bombing BELFAST - One of Northern Ireland's best-known Roman Catholic hu-

man-rights lawyers was killed by a car man-rights lawyers was killed by a car bomb on Monday, casting a pall over peace efforts in the British province. The lawyer, Rosemary Nelson, 40, who had defended Irish republicans in several high-profile court cases, died in a nearby hospital two hours after the bomb blew apart her silver BMW in Lurgan, about 30 miles (45 kilometers) south-west of Belfas:

west of Belfast The force of the blast, which occurred just yards from the school where her 8ear-old daughter was on a hinch break, had taken off both of her legs and caused extensive injuries to her abdomen, au-thorities said. She died at Craigavon Hospital with her husband at her side.

Prime Minister Tony Blair of Britain died Monday in an Ulster bombing. act of barbarity." He said in a statement

divided Social Democratic Party.

ended a power struggle over direct con-

trol of policy, allowing Mr. Schroeder to install an ally at the head of the Finance Ministry, it failed to silence the party's

traditional labor wing, where Mr. La-

fontaine cultivated his political base.

Michael Mueller, a left-wing deputy

leader of the party's parliamentary group, told German radio: "A policy

at Mr. Hombach, who ranks as the chan-

cellor's most loyal aide and pro-business

ally, the criticisms effectively were ad-

dressed in equal measure at Mr.

recent days against a change of direc-

said the election results in September

displayed a grassroots preference for greater "social justice" instead of in-

But while the left demanded a go-slow approach to economic change Monday,

plans would force jobs out of the country

and discourage foreign investment.

It has become difficult for Mr.

Party leaders appealed for unity and

party chairman to replace Mr. Lafon-

A strategist in Mr. Schroeder's party said: "Schroeder will need strong

Lafontaine. Now they will shoot directly

promised resistance to further changes

in the tax bill. Tax policy in this high-tax

Significantly, the party's left wing

dustry-friendly

radical measures.

A HBV board member, Klaus Carlin,

tax redistribution

pretty soon finish the party off."

issued in London, "No effort will be attack, claimed that Mrs. Nelson had spared in hunting down" those responsible for "this senseless and despicable of the Northern Irish police force, the act of murder." He said, "The sole aim of this murder is to remove any chance of

Mrs. Nelson had been in the public eye for several years as the legal rep-resentative of the Garvaghy Road residents' coalition in nearby Portadown in its long-running and often violent stand-off against the Orange Order, a Prot-estant group that had insisted on its right to march down the road last July. Among her other clients were a man

accused of killing two policemen and the family of a Catholic man beaten to death by Protestants in Portadown in 1997. The police said no warning was given for the attack on her, and that no one had

claimed responsibility. The Irish Republican Army's political wing, Sinn Fein, which condemned the Mr. Andrews said in a statement.

of the Northern Irish police force, the Royal Ulster Constabulary.

A Reuters photographer saw a crowd of protesters smash security cameras at as a final deadline for a transfer of some Lurgan's main police station after the rule from London to Belfast but politikilling. They marched with banners reading, "Disband the RUC."

Detective Superintendent Sam Kincaid, in a statement, denounced the "cold-blooded and brutal murder of a well-known solicitor who was also a

The Irish foreign minister, David Andrews, said the car bomb was "very clearly designed to sabotage the peace

process at this very critical time."
"Rosemary Nelson's munderers
clearly have no interest in the peaceful
future which the people of Ireland, north and south, voted for so overwhelmingly,"

Northern Ireland's peace deal was signed last April 10 and subsequently approved in twin plebiscites in the Briti-ruled province and the Irish Republic. Britain has set the week of March 29 cians are deadlocked over the pace of guerrilla disarmament. (Reuters, AP)

■ U.S. Condemns Bombing

The White House on Monday condemned the car-bombing as a "despicable and cowardly act" and called for an end to the bloodshed, Renters reported

from Washington.
"The killing today of Rosemary Nelson, a leading human rights lawyer in Northern Ireland, was a despicable and cowardly act by the enemies of peace," said the White House spokesman, Joe Lockhart. "Our deepest sympathies go out to her friends and family.

BRIEFLY

Dutch Confirm Toll From Rare Disease

AMSTERDAM — An outbreak of Legionnaires' disease at a flower show last month may have killed as many as nine people, the Dutch health minister, Els Borst, said

Monday.

Four of the dead have been confirmed as victims of the pneumonia-like illness. Autopsies were being carried out on the remaining five to establish whether they, too, died of the rare disease.

As the Health Ministry annonnced the rising toll, efforts continued to trace visitors to the flower show in Bovenkarspel, north of Amsterdam, and to establish the exact source of the outbreak. (AP)

Woman Takes Over Norway's Defense

OSLO - Eldbjoerg Loewer became Norway's first female defense

minister on Monday. Prime Minister Kjell Magne-Bondevik named Loewer, 56, as part of a reshuffle of his centrist cabinet that also covered the transport,

justice, labor and oil ministries. "I've run male-dominated work places most of my life," Ms. Loewer told reporters in her new office. She was formerly labor minister in Mr. Bondevik's cabinet, formed in

Agriculture Aide Resigns in Poland

October 1997.

WARSAW - Poland's agriculture minister, who was the focus of nationwide demonstrations by farmers angered over sinking prices, resigned Monday after losing key political backing. Jacek Janiszewski, 38, a member

of the senior partner in the Solidarity coalition government, handed in his resignation during a meeting with Prime Minister Jerzy Buzek, the PAP news agency and Teleexpress TV news reported.

Mr. Janiszewski had been expected to lose the post under a cabinet restructuring already under way and due to be completed by April 1. During the weekend, the Conservative Peasant Party withdraw its" backing for him.

For the Record

Two_boys, Jon Venables and Robert Thompson, convicted of mur-dering the toddler James Bulger in a case that shocked Britain six years ago, were told Monday that they cantake their case before the European Court of Human Rights.

Left and Right Take Aim At Schroeder the Centrist last week of Oskar Lafontaine, the leftwing finance minister, Mr. Schroeder reaped criticism from both unions and disgruntled German industrialists in a rift over economic policy that immediately spilled over into his ideologically Chronic disunity in Mr. Schroeder's center-left party highlights a dilemma tripped up the chancellor's four-monthold administration. The criticism Monday also highlighted deep social divisions in Europe's biggest economy over the direction and intensity of economic Although the exit of Mr. Lafontaine

EARLY SPRING IN RUSSIA — Two boys floating on blocks of ice near the Pacific city of Vladivostok.

political spectrum in Germany. In the wake of the abrupt resignation that has dogged him since the election campaign last year and repeatedly 2 Balloonists

By John Schmid

FRANKFURT - No sooner had

Chancellor Gerhard Schroeder signaled

a rightward shift toward his self-de-

clared political "new center" than he

drew fire Monday from both sides of the

onal Herald Tribune

Claim Record

GENEVA - The Swiss-English team trying to circle the world in a balloon nonstop appeared to have broken the distance record of Steve Fossett, the American millionaire, subject to official verification, their control center said Monday.

The center's computers showed that by Monday, Bertrand Piccard of Switzerland and Brian Jones of Britain had traveled 15,540 miles (24, 864 kilometers) since they left the Swiss Alps on March 1.

The center said the record claim is subject to verification by the International Federation of Aviation, which credits Mr. Fossett with flying 14,236 miles before ditching near Australia in August,

Mr. Fossett claims he flew 15,203 miles. But if the Brenling Orbiter-3's distance is confirmed, it will have beaten both of the Fossett

Mr. Piccard and Mr. Jones have been picking up speed over the Pacific Ocean and were traveling at 72 mph toward Hawaii, the center

The team passed the halfway point Saturday in their round-theworld bid. If they complete their trip by making it back to North Africa, possibly by this weekend, they will have traveled more than 26,000 miles.

"With them getting into the jet stream and picking up speed, it's getting exciting," said a staffer at the control center in Geneva.

"They're in incredibly good spirits," added Brian Smith, a controller, who went on to describe the risky procedure by which the two pilots left their gondola Sunday to check the balloon's fuel cylinder valve.

Britain Arrests Islamic Cleric Sought by Yemen

LONDON - An Islamic fundamenthat went something like 'capital calls the tune and the SPD follows' would talist leader whose son has been charged with plotting terrorist activities in Ye-Labor-wing party members called for men was arrested Monday in London, the police said. the resignation of Mr. Schroeder's chief of staff, Bodo Hombach. By taking aim

The fundamentalist leader, Sheikh Abu Hamza Masry, who preaches at a London mosque, was detained under Britain's anti-terrorism act, Scotland is among 10 British and French citizens Yard said. He was arrested in a series of being tried in Yemen on charges of raids along with two other men, whose associating with armed groups, plotting identities the police would not disclose... intrider and destruction, and possessing Schmeder himself.
On Monday the white collar HBV trade union joined other labor groups who have warned the government in

retary Jack Straw gives his approval. Scotland Yard said the raids had been

planned for some time and were part of an investigation, but it declined to release him. "He is a scholar and he provide more details.

Supporters of Shariah, called on police to release him. "He is a scholar and he gives his Islamic views," said Haroon provide more details.

Yemeni officials, who requested Sheikh Abu Hamza's arrest and extradition in January, had said he was linked to terrorist activities in their nation. He has denied the allegations.

His son, Mohammed Mustafa Kamel. Under the anti-terrorism act, the men, weapons. The authorities said that last can be questioned for 48 hours. They month Mr. Kamel confessed to forming then can be held for five more days an armed group in Yemen but denied the weapons. The authorities said that last month Mr. Kamel confessed to forming without being charged if Home Sec- weapons charges. All the other defen-

dants have denied the charges. Sheikh Abu Hamza's Islamic group,

Rasheed, a spokesman. "He has done no terrorist activities here."

A group representing British Muslims, the Muslim Parliament of Great Britain, urged that he be given due process of law" during his arrest.

Despite what it called the sheikh's 'exaggerated and irresponsible' statements in the last few months, the group said no evidence had been produced to substantiate his involvement in acts of violence or terrorism.

Sheikh Abu Hamza, who was born in Egypt, has been vocal in encouraging Muslims worldwide to fight for a more Islamic way of life.

TURKEY: With a National Election Approaching, Prime Minister Warns of Chaos

Continued from Page 1

corporate Germany kept up its drumbeat of pressure on Mr. Schroeder for more been rare in Turkey's western cities, which lie far from the southeastern DaimlerChrysler AG, Germany's biggest industrial concern, took the lead in attacking Mr. Schroeder's tax policies. provinces where the Kurdish war is being fought.

The Smitgarter Zeitung newspaper pub-third fatal terrorist attack this month. A lisbed a letter to Mr. Schroeder from Maoist faction killed three people, inthird fatal terrorist attack this month. A DaimlerChrysler chief financial officer, cluding a 14-year-old girl, in a car bomb-Manfred Gentz, warning that the tax ing that was directed at a provincial governor near Ankara on March 5. The Schroeder to ignore either side of the debate. While his party's traditional left contained an arsenal of guns and bombs. wing constitutes its majority, the heated bul; one of them killed a taxi driver.

protests from industrialists were instru-The Turkish authorities have anmental in pressuring Mr. Lafontaine to nounced that they will try Ocalan, prob-quit. nounced that they will try Ocalan, prob-ably within the next few months. He has been charged with treason, which can caim Monday. They want to paper over carry the death penalty, and may also be emotional disputes ahead of a key party congress April 12, when delegates are of fatal attacks launched by his guerrilla. expected to confirm Mr. Schroeder as fighters.

"There's a disturbing combination of Remers

Taine. But Monday's uproar served as a things happening at the same time, "said a foreign diplomat posted in Istanbul.

Continued from Page 1

Sweden no longer attracts or keeps the kind of talent on which its future

Michael Treschow, the chief exec-

ing exodus" unless the government

chief executive of Icon Medialab Inter-

national AB, a fast-growing Internet ser-

vices company. "In this new economy,

you can work anywhere you want. That's

why it's important to get taxes down."

After taking advice from a business-

labor panel that included Mr. Fedeli and

Mr. Terschow, the Social Democratic

government has signaled that the April

budget will include some tax changes. But Prime Minister Goran Persson

played down the need for radical reform,

saying the country's 3.2 percent growth

rate last year, a virtual absence of in-

budget surplus were indicators of robust

flation and the government's rising

"It's rather strange to hear that we

have a bad business climate," Mr.

upheaval, and now this rash of bombings. If the attacks spread to tourist areas, the problem is going to become economic as well as political. All in all it's

angry that their party leaders have dropped them from lists of candidates for re-election. They want the April 18 police arrested one person, and infor-mation he provided led to a house that one party that is afraid it will fail to win the 10 percent of votes necessary to enter Last week, two bombs exploded in Istan- Parliament if the vote is held next

Parliament was to meet again Tuesday and may take up the issue of election postnonement. Some deputies from the Islamic-oriented Virtue Party also supported convening Parliament during the recess. They do not care when the election is held, but want to repeal a law that allows parties to be banned if they are deemed to be challenging the secular

nature of the republic. They also seek to overturn a court

introducing religion into politics and forbidden to run for Parliament or participate in politics for the next five years. ■ 'State of War' in Tourist Areas

ists, were included in areas deemed to be in a "state of war," The Associated Press reported.

"It has been decided to escalate the war against the Turkish state in every field until President Apo is provided with his freedom," the statement said, referring to Mr. Ocalan by his nick-name. "Turkey as a whole is a war zone at the moment, including those areas

considered by Turkey as tourist sites." "It is essential that no tourist comes to Turkey, that governments warn their citizens and that travel companies cancel reservations," said the statement, carried by the Germany-based pro-Kurdish

news agency DEM. Germans are among the biggest group

"You've got a potentially very important election coming up, Parliament is in former prime minister, was found to be and the German Foreign Ministry on Monday issued a travel advisory that said. "The recent threats from Kurdish circles close to the PKK against tourist targets in Turkey must be taken seri-

ously."

The ministry added that clashes between Turkish forces and Kurds in the mountains near Antalya, a favorite seaside destination of Germans, could not be ruled out.

But Turkey's tourism minister, Ahmet Tan, criticized the German warning.
"No country is 100 percent safe," Mr. Tan said. "By issuing warnings, countries like Germany are trying to save themselves from any responsibility for their citizens."

Turkey's Aegean and Mediterranean coasts usually draw some 9 million foreign visitors a year. Travel agents complained of a slow start to the season

because of the recent violence. The rebels have long tried to scare foreign visitors away to hurt government coffers that they say help finance the military crackdown against them.

Croatia Trying Commandant Of Death Camp

last known surviving concentration tivates ties to big business, remains uncamp commander during World War II, popular among traditional socialists and Dinko Sakic, pleaded not guilty Monday many party functionaries. at the start of his trial on charges of war

Asked by a judge in Zagreb how he nerves. Before the opposition shot at pleaded to charges that he was respon-sible for the death of at least 2,000 at Schroeder." people in a fascist Ustashe concentration camp, Mr. Sakic, 77, replied, "Absolutely not guilty on any of the counts." In all, tens of thousands of Serbs, Jews nation has become the benchmark of

and Gypsies were killed in the camp, whether the government will move to-lasenovac, southeast of Zagreb. whether the government will move to-ward the political center after the de-Jasenovac, southeast of Zagreb.

"My conscience is clear," he said. "I would like to add a few words," he

right to remain silent. Mr. Sakic is the first member of the fascist Ustashe regime that ruled Croatia the political demise of Mr. Lafontaine, from 1941 until 1945 to be tried for war crimes relating to World War II since Croatia gained independence in 1991.

He fled abroad after the war and was extradited from Argentina. The defendant smiled and looked re- by the Bundesrat. laxed as he took his place in the courtroom, before telling the judge he courtroom, before telling the judge he had recovered from health problems that had recovered from health problems that he received to be received. had forced the hearing to be postponed

The news that the trial will proceed for 10 days. will come as a relief to Jewish groups that were binerly disappointed at the postponement. They feared that the medical problems were being used to screate delays and reduce media atten-

The lasenovac camp has become -known as the "Auschwitz of the Balkans" because of the extraordinary brutality against immates there.

SWEDEN: The Nation's Corporations and Brains Flee for More Favorable Shores

and support services with them. If that was not bad enough, the experience of Mr. Carlquist and the flight of a number of home-grown technology specialists and entrepreneurs has set off

parture of Mr. Lafouraine. Joachim Poss, a Social Democratic prosperity depends. started to add before Judge Drazen Tri-started to add before Judge Drazen Tri-palo cut him off, reminding him of his there was "no further leeway" for corporate tax cuts.

And while industrialists celebrated whose policies they blame for slumping econmic confidence, they remain dis-mayed that Mr. Schroeder insists on using Mr. Lafontaine's tax reform plan, which is expected to be ratified Friday

Mr. Schroeder remained dispassionate about the criticism in his ranks. Traveling in Copenhagen to represent Germany's six-month rotating presidency of the European Union, he drew attention to how smoothly the government has made its transition following Mr. Lafontaine's surprise departure.

You can see by the fact that I am going on this trip the normality of the economic health. situation, rather than the contrary," the

Persson said in an interview. "Of course AB to move headquarters to Helsinki it isn't true. If it was true, we couldn't when they merged with Finnish parthave all these good figures."

Mr. Persson acknowledged that globalization was hitting Sweden particularly hard because of the high proportion of multinational companies here, like Electrolux, ABB and Ericsson AB, talk of a brain drain, suggesting that which is moving its European headquar-ters to London. But he welcomed foreign investment, calling Ford Motor Co.'s \$6 billion purchase of Volvo Cars "a sign of belief in Volvo."

utive of Electrolux, warned of a "creep-Mr. Persson also dismissed the idea of a brain drain, insisting that while more Swedes were going abroad to gain exsignaled the start of major tax cuts in a special budget next month.

"All the entrepreneurial people are moving outside Sweden, and they won't come back," warned Franco Fedeli, the perience these days, most would come back, a view that many in business dis-

Mr. Persson said he was keen to cut taxes after having raised them as finance minister earlier this decade to close a huge budget deficit. But rather than promise immediate reductions, he said the government would use growing budget surpluses projected for the year 2000 and beyond to cut taxes and make "improvements in the social sector."

While business is eager to see the repeal of a 5 percent surtax on workers earning more than 32,400 kronor (\$3,977) a month, Mr. Persson said reductions were likely to be spread across the board rather than aimed at high earners. He also said the government would not necessarily abolish the double taxation of corporate dividends, a cost that prompted Stora and Nordbanken

For many business and political leaders on the center-right, the hints fall far short of what is needed, reflecting the Social Democratic Party's resistance to change and dependence on the support of the former Communists and the Green

They argue that Sweden's overall tax burden of 54 percent of gross domestic product is stifling growth, and warn that unless taxes and welfare payments are cut significantly, more individuals and companies are likely to flee.

"It's a dangerous illusion to think you can cut taxes without cutting expen-diture," said Carl Bildt, the leader of the

opposition Moderate Party. Of course taxes are not Sweden's only competitive disadvantage. The country's remoteness on Europe's northern fringe, its cultural homogeneity and its position outside the euro zone all tend to discourage foreign investment, conceded Jacob Wallenberg, chairman of Skandinaviska Enskilda Banken AB and senior vice president of Investor AB, the Wallenberg family vehicle that engineered the merger of Astra with Zeneca Group PLC of Britain and Stora with Enso Oy of Finland.

But, he added, those handicaps make tax issues all the more crucial. "Maybe we have to be even better than our competitors to compensate for our negatives," he said.

To illustrate the possibilities and the threats facing Sweden's economy, there are few better examples than Icon Medialab, one of the country's fastestgrowing firms.

The company creates Internet sites, electronic-commerce platforms and Intranets for big and small companies. After just three years of existence, it has 400 employees, sales of 131 million kronor and a stock market value of around 725 million kronor.

Sweden's good education system and ready acceptance of technology, including one of the world's highest rates of computer ownership and Internet use, provided a good environment to create the company, said Mr. Fedeli, the chief executive.

But most of the growth is coming from outside Sweden today, and Icon Medialab is likely to move its stock listing, and perhaps its headquarters, out of the country in the coming year, he

Perhaps more important, three of the company's four founders have left the country to escape a tax system that treats most capital gains on start-up companies as income, subjecting them to an ef-fective tax rate of more than 60 percent. 'It prevents any founder of a company from becoming rich." Mr. Fedeli said.

Two of the founders now live in the Netherlands and one in San Francisco. "Their next venture won't be in Sweden," Mr. Fedeli said. "It will be in the Netherlands or in Silicon Valley."

But the bombing Samrday was the quite a messy moment." A statement from the Kurdistan The legislators who convened the ex-Workers Party said Turkey's vacation traordinary session of Parliament are resorts, which attract millions of tour-

EDITORIALS/OPINION

Herald Cribune

Growth and the Left

ern Europe is now governed by leftwing political parties, a sharp change from the Thatcher-Kohl days of yore. But it is not clear how left those leftwing parties really are. British Prime Minister Tony Blair followed President Bill Clinton's lead in steering his Labour Party away from its union base and toward a pragmatic centrism. Now Germany looks set to follow the same course after the resignation of Finance Minister Oskar Lafontaine, who as head of the Social Democratic Party had been the chief force tugging his

government leftward. All this has implications beyond Germany or even Europe. After the Soviet Union collapsed, political sci-entists were quick to declare victory for free market economics and rightwing politics. Then a financial collapse that began in Asia and spread through Russia toward Brazil prompted a reexamination of that conventional wisdom. Perhaps the free market ideology had gone too far, the experts said; perhaps it was time to re-evaluate the faith in open capital markets and minimal government intervention.

That may still hold true, but Mr. Lafontaine's resignation in one sense shows the limits of any single politician, or any single country, to stem the tide of global capitalism.

As finance minister, he sought to impose higher taxes on industry as part of a "socially just" tax reform that would also cut taxes for workers. He resisted any reform of Germany's gen-

It has been noted that much of West- erous social welfare programs. The results were unhappy. Some basinesses threatened to leave Germany altogether. Few were willing to invest. Germany's high unemployment rate was undented, and the economy fell into a slump. Financial markets soared on news of his departure.

The increasing power of capital to move across borders to the most congenial environment can in many ways boost productivity, efficiency and prosperity. But it raises concerns; among others, there is considerable evidence that it promotes inequality between rich and poor. The right, by and large, is not troubled by that. The old left is troubled but without solutions. Chancellor Gerhard Schroeder now joins Mr. Blair and Mr. Clinton with a chance to demonstrate whether the new left - the centrist-pragmatisttriangulating-Third Way left - has any better ideas.

The United States has more than an academic interest in Europe's success or failure at promoting growth. So far, the remarkable U.S. economy has helped stave off global recession as developing countries suffer. But without more help from Japan and Europe, the growth of imports into the United States may become intolerable, at least in political terms. Mr. Lafontaine's pressure on Europe's new central bank to lower interest rates provoked resistance and undermined the euro. But the notion that Europe should stimulate demand is not far-fetched.

-THE WASHINGTON POST.

High Noon for the IOC

.In the wake of the Salt Lake City Olympic bribery scandal, corporate sponsors of the Games like John Hancock Mutual Life Insurance have wisely decided to think about how else they might spend their money. The International Olympic Committee ought to keep that in mind as its members gather this week in Switzerland to determine how much to reform their discredited

organization. The answer is a lot. If it wishes to survive as the custodian of the Olympics, the IOC must transform itself, discarding the clubby, self-indulgent traditions that tolerated corruption. Instead of operating with an arrogance and secrecy that the Soviet Politburo would have envied, the IOC must do business openly and democratically. That means establishing and scrupulously following cor-ruption-proof criteria for the selection of host cities. The best way to insulate the selection process may be to have an impartial panel of experts on sports facilities nominate two finalists on which the IOC would vote.

The IOC should also become a representative body, with members who to recommend ex national Olympic committees or qualified athletic organizations from all countries. Although the IOC is a nonprofit organization, it handles billions

of dollars from corporate sponsors and broadcast rights. Its books and business practices should be as transparent as those of a publicly traded corporation. Nations that host the Games should declare the IOC an international public organization. That would bring it under

international anti-bribery laws.

Many of the 105 delegates seem to think that they need only ratify a recommendation to expel members found to have engaged in corrupt practices involving the selection of Salt Lake City. That is the minimum they must do, and it should be done by open ballot. The members must not reject or water down the expulsions proposed by Richard Pound, an IOC member who led the investigation. The members also ought to find a new president unencumbered by the Salt Lake City scandal. The incumbent president, Juan Antonio Samaranch, can no

longer credibly lead the IOC. Disturbingly, a report issued on Fri-day by the IOC tried to shift blame for the scandal to the Salt Lake and American Olympic organizations and failed serve fixed terms and are elected by powerful IOC delegate implicated. If the IOC refuses to reform itself this week, sponsors like John Hancock should let it wither away.

-THE NEW YORK TIMES.

Other Comment

The Real Threat in China

The great threat emanating from today's China is the prospect of an economic downturn leading to social and political instability. Economic growth last year was nowhere near the official figure of 7.8 percent, but was widely considered to be between 3 and 5 percent. Enormous problems accompany this declining rate of growth. including state enterprises that need reform, unemployment, undetemployment, and regional economic disparities. The Communists are watching a "floating population" of as many as 130 million peasants drifting to the

cities in search of work. They see peasants rioting in villages and workers rioting in cities. They know they cannot afford to continue subsidizing uncompetitive state enterprises, but they fear that the Chinese economy cannot generate enough jobs to absorb the tens of millions of workers who must be cast out of the state-owned

factories without a social safety net. The United States need not muffle its criticism of Beijing's crackdown on dissidents, but it should nurture a patient and confident expectation that a new Chinese generation, molded by the internet and the entrepreneurial principle of constant change, will soon undo the structures of the old Reds.

The Importance of Asia

Americans have learned that the fate of Asia is also our fate. Our freedom and prosperity depend on the freedom and prosperity of Asians. This fact is sometimes forgotten in America today. It should not be. Asia is as important to

America today as it was in 1941. Our security depends on the network of military alliances with Japan and South Korea to preserve peace and stability in Asia. Asia today presents many challenges. Threats of ballistic missiles to our shores are raising their ugly heads in Asia [from North Korea]. China is emerging as a world power, challenging us not only in Asia but globally as well.

The jobs of millions of Americans depend on U.S. exports to Asia. I wish I could conclude that the Clinton administration's responses to the challenges of Asia have been adequate. I cannot. All too often the administration has treated Asia haphazardly, often reversing policy without sufficient explanation, confusing friend and foe alike, and failing to bring all the pieces of U.S. policy together in a coherent strategy.

— Edwin J. Peulner, president of

the Heritage Foundation, testifying recently before the U.S. House of Representatives' subcommittee on Asia and the Pacific.

Herald Eribune

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A Bull Market Gallops On, Destination Unknown

NEW YORK — There has never been a bull market quite like the one that America is now enjoying. And while there is logically no more significance to approaching 10,000 on the Dow Jones industrial average than to approaching 9,500 or any other number, it is worth noting just how far and fast we have come.

This bull market has reflected and encouraged a renaissance of America's economic power and self-confidence. Its very existence is one reason the economy has been so strong. The impact of an end to the bull market would be felt even by those who have never invested in a stock or mutual fund.

That group, to be sure, is dwindling. As the bull has grown, stocks have gone from a subject of scorn, seen by many as little more than gambling, to being widely regarded as the best longterm investment, one that both Demo-crats and Republicans agree should be bought to help finance Social Security. America itself has gone from fearful to

supremely self-confident. The birth of this bull came on Dec. 6. 1974, although no one knew it at the By Floyd Norris

time. That was when the Dow hit bottom at 577.60, having plunged by 45 percent in less than two years amid the worst economic news that America had seen since the Great Depression. The country was in a recession and inflation was rising. New York City, the financial capital of the country, was on

the verge of going broke.

American industry appeared to be in an irreversible decline. There were predictions that first the oil-producing countries and then the Japanese would buy America. Such fears played a role in the next two presidential elections, in which incumbents were rejected.
At the bottom in 1974, the stocks in

the Standard & Poor's 500 index were trading at seven times that year's profits. On average, those stocks paid dividends equal to 5.8 percent of their purchase price.

A quarter-century later, almost everything has changed. Books celebrate the American century, and Americans lecture Japanese on economics. Com-

are suffering. Technology is preeminent. The value in many companies is seen as being in their brand names, not in their manufacturing plants, which are viewed as expendable.

The rise in stock prices can be traced only in part to the country's economic success. Corporate profits have risen in recent years, but not nearly as rapidly as stock prices. The S&P 500 is at 28times estimated profits, and has a dividend yield of 1.3 percent.

If investors were willing to pay about the same price for profits and dividends as they were in 1974, the Dow today would be around 2,500, not on the verge of topping 10,000. If valuations were equal to those at the 1987 peak, before that year's crash, the Dow would be somewhere between 5,000 and 7,000. That people are willing to pay so much more is a tribute to op-timism and to the fact that stocks are

now viewed as a long-term sure thing.
In the past couple of years, the breadth of the great bull market has narrowed. Stocks in smaller companies (Internet operations excluded) have

modity prices are low, and producers lagged notably, and the Russell 2,000 an index of stocks that rank just below the 1,000 largest companies, is now about where it was in mid-1997, while the Dow is up by nearly 30 percent. For most of the decade, the biggest winners have been in technology and financial services — the industries through which America has re-emerged as the world's strongest economy.

At the same time, the very existence of the bull market has made Americans far more willing to spend on houses, cars, cell phones and all the other accontrements of the good life. In recent years, that spending has consistently exceeded economists expectations, producing surprisingly fast growth and reinforcing the bull market.

When - or should I say "if"? - the bull market ends, the impact on the American economy and psyche will be much greater than it would have been before so many Americans pinned their hopes for the future on Wall Street's advance. No doubt the pessimism of 1974 was excessive, but so, too, may be the optimism of 1999.

The New York Times.

Behind This Crazy Stock Market Is a Healthy American Economy

WASHINGTON — Last week, as the Dow Jones average was nearing the summit of 10,000, I called the head of a big investment bank and asked him what people on Wall Street were talking about these days. "This crazy stock mar-ket," he said in a tone of bewilderment. "People are mys-

tified by it." We might call it the Rational Exuberance Market, because it is driven by the real dynamism of the American business and technology revolution that is

sweeping the world. The fact remains that this is one crazy market. You make money buying things that are expensive, like perennial glamour stocks Microsoft or Gillette, and lose money buying things that are cheap, like down-in-the-dumps natural resource stocks or industrial

They looked at valuations back and the bears will congratulate in 1995, when the Dow broke through 5,000, or in 1997, when it hit 8,000, and concluded that it was overvalued. Stocks were trading at what looked like unsustainably high

By David Ignatius

price-to-earnings ratios. The biggest worriers, understandably, have tended to be the veteran investors with the most to lose. I think of an investment banker from Morgan Stanley who warned me solemply last October that the market had only a few more weeks of strength to sell into before it shattered.

I think of the CEO of a big concern who told me a month ago that he was unloading his stock portfolio because he saw very little potential benefit on the upside, and lots of risk on the downside.

Many smart people have At some point, of course, a investors were driven by what been wrong about this market. market correction will set in, he called "animal spirits," a

themselves for being right after all. But as the Dow nears the magic five-digit barrier, it makes sense to stop arguing with this market and try to accept it on its own terms. What

is this crazy market telling us? There is an awful lot of money out there chasing a limited pool of U.S. stocks. So long as money keeps pumping in from mutual funds, 401(k) plans and global investors who want a piece of the American pie, then prices will keep rising for brand name stocks, well beyond levels that would oth-

erwise make sense. Markets are driven by psy-chology. The economist who understood this best was John Maynard Keynes, who was an avid investor himself. He noted that in periods of growth,

surging optimism that leads them to put aside their normal caution and plunge long-term. But in bad times, Keynes

observed, a kind of animal panic takes over. He called it "liquidity preference," a fear so acute that investors insist on the safest, most-liquid investments, like government bonds. We saw a whiff of that panic last August and September after the Russians defaulted on their debt, when investors raced to the safety of Treasury bills, and the market for riskier debt nearly collapsed. No doubt we shall see that panic again some day.

This amazing market reflects the amazing health of the U.S. economy. Behind the boom is the 1990s' unusual combination of rapid growth combined with low inflation and low interest rates. And U.S. business is reaping the benefits of the wave of restructuring and cost-cutting that swept the

economy in the late 1980s and early '90s. That process costs millions of workers their jobs, but it made American companies the toughest and most aggressive in the world.

A similar restructoring process is beginning in Europe. The old cosseted European economy in which each country tried to have its own car company, pharmaceutical company, steel company, is breaking down. A genuinely European economy is being created. which will be dominated by the leanest and meanest. When those new pan-European companies hit the global economy, we shall be talking about the Euro-boom.

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And where will the Dow Jones average be then? Will it have surged on to 15,000? Will it have fallen back to 8,000? The amazing fact is that nobody knows, least of all the smart people.

Threats and Opportunities: Leaders Need to Speak Out

NEW YORK — The present furor in Washington over Chinese espionage at Los Alamos offers fresh evidence that finger-pointing and sound

Too many officials, at both ends of Pennsylvania Avenue, are trying harder to make political hay or to protect themselves than to explain the larger lessons of China's actions and

lax American security. And too many commentators would rather egg on the antagonists for another good fight than shed light on the real issues at stake.

Is anyone really surprised that China spies on the United States, trying to steal military, economic, technological and intelligence secrets? Does anyone believe that this is new?

Recall the case of Larry Wutai Chin, the CIA employee who was arrested in the mid-1980s for spying for China. He was hardly the only one. Russia also tion and its critics neglect: De- allowed to slacken. And that

war or the first skirmish in a

watched in Asia with incredu-

quarrel over a fruit that neither

But Asia is a region which for two years has been lec-

tured almost daily by the

United States, by Europe and

by the international institu-

tions that they dominate on the

need for open markets, for

transparency and for abiding by the rules of the game. This

is a region which has been

forced to obey imposed rules

as well as go well beyond

WTO requirements in open-

ing markets, accepting inter-

national pricing of basic food-

Doubtless if Thailand were

Whatever the niceties of the

tectionism, untransparent sec-

tional interests, and sheer pet-

rope that is smug, evasive, un-

an importer of bananas there

would have been some men-

stuffs, and so on.

IMF letter of Intent.

willing to change.

produces — bananas.

At one level it is a bizarre,

lity, and worry.

By Robert M. Gates continues to spy, although many seemed surprised that a post-

Cold War Russian intelligence bites are a lousy way to protect service continued to run the Soand advance American security viet spy Aldrich Ames as a mole borhood in which nations still relationship with both countries has continued nonetheless.

And it is not just old adversaries who spy. How about Israel paying Jonathan Pollard for thousands of pages of sensitive American intelligence documents?

Or the French intelligence services stealing American business secrets by planting protecting it from others.) moles in American companies and bugging the hotel rooms of visiting American business-men? Or the 20 or so other foreign governments that spy on American businesses?

The point of this is not to excuse China's espionage on the ground that everyone does strength in all its dimensions: it, but to highlight a reality that both the Clinton administra-

spite the bonhomie of countless summit meetings and press statements, the post-Cold War world is a very tough neigh-

their own interests. Governments modernize and enlarge their military forces, they spy, they sell technology for weapons of mass destruction, they lie and they cheat in order to amass power and wealth. (Nor are our America's intelligence services idle in promoting American interests and

io ruini

We should draw three lessons from this reality. In a tough world — the only world there has ever been, really - Americans should recognize the critical and enduring importance of American strength and enhance that military, intelligence and diplomatic. Nor can vigilance be

includes protecting secrets that matter, like nuclear weapons technology.
Second, leaders need to help Americans understand that

today the country will find most nations to be both its partners simultaneously. Pigeonholing most countries as either friend or foe is wrongheaded and undermines the national interest.

This is not realpolitik, it is just plain common sense. The challenge, as always, is how to encourage behavior that advances U.S. interests (and values) and to discourage behavior that does not -- and to do both these things in a manner that promotes long-term constructive relations with other world

Third, too many foreign policy experts, especially in the current administration, have often tried to play down or put the best face on troubling actions by Russia, China, North Korea and others. This does a disservice to the public's understanding of what is going on, and thus to the country's ability

to act in response. For instance, when officials fail to address candidly the pervasive corruption in the Russian government (and the theft of billions in Western aid), as well as Moscow's aid to Iran's missile program and Russian obstructionism in the former Yugoslavia, this makes it harder for them to justify attempts to build closer ties with

Similarly, the failure to ac-knowledge China's misbehavior -- its role in the proliferation

pression of internal dissent undermines the U.S. government's efforts to foster a stable, mutually beneficial relation-

ship with China. Such relationships are comthe media - should stop un. derestimating Americans ability to understand this if giventhe full story. The more Americans know about both friendly and unfriendly behavior by powers like Russia and China. the better they will understand? a mix of policies that together? protect and advance Americani

That imposes a burden on i both the administration and; Congress to be forthright and bonest about what they know in the good, the bad and the ugly. It is a burden that neither, so far has effectively shouldered.
When leaders fail to speak

forthrightly about the dangers. that confront the United States many citizens simply turn their backs on a complicated and confusing world.

The writer, a career intelligence officer, served on the National Security Council staff under four presidents and was, CIA director under George Bush. He contributed this comment to The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be re-sponsible for the return of un-

of weapons of mass destrucsolicited manuscripts. tion, its theft of technology, its

IN OUR PAGES: 100, 75 AND 50 YEARS AGO 1899: Boers' Status

PARIS -- Mr. Rhodes' mission will depend upon what understanding he can come to with German financiers interested in the African colony and who are determined that if anything is to be done in railroad building that they will be in it. A renowned financier said: "We have lost all sympathy with the Boers since we found that they made absolutely no effort to take advantage of the opportunity we gave them to improve their position and advance their status. They have done nothing and are iust as behind-hand as ever."

1924: A Cubist Lenin

PETROGRAD — Bolshevism has balked at Bolshevist art in honoring Lenin, and the cubist monument of the dead leader, designed by M. Malevich, exponent of Soviet ideas in art, has been rejected. Malevich rejected. Malevich

proudly exhibited a huge nedestal composed of a mass of agricultural and industrial tools and machinery. On top of the pile was the "figure" of Lenin
—a simple cube. "But where's Lenin?" the artist was asked. With an injured air he pointed to the cube. Anybody could see that if they had a soul.

1949: Mail Scheme PARIS - Eric Ottensen, ori-

ginator of a mail-order scheme to sell lurid love tales "with erotic private prints" in the United States, has been arrested in Paris on a charge of marketing an immoral publication. Two months ago, Ottensen mailed brochures on a work called "Sex Tit-Bits" to thousands of prominent Americans, including government officials. The United States Post Office Department stopped delivery of checks to Ottensen as soon as it learned of the scheme.

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When the Big Blocs Go Bananas By Philip Bowring

HONG KONG — Whether it is phony war, a proxy veloping countries of Central wider conflict, the EU-U.S. conflict over bananas is being America, the Caribbean and Africa which export the fruit. Most of the value added in banana exports ends up with almost amusing spectacle, gi-ant trading blocs in a major foreign middlemen and brand

name owners, whether in the United States or in Europe. Those concerned about genuinely free markets might care to look at distribution oligopolies. Those really interested in resolving the trade issue might look to investing modestly in improved banana productivity, or in new crops, in a handful of dirt-poor countries, rather than put billions'

worth of other trade at risk. The EU-U.S. performance gives the impression that the two blocs regard the World Trade Organization as their plaything, using it when they see fit, ignoring it otherwise. Both engage in threats out of all proportion to the issues at stake, while lecturing the tion of banana tariffs in an world on the need to follow

rules and procedures. The banana fiasco is yet banana dispute, it reveals pro- another reason why it is past time for the head of the WTO to come from a region other tiness. Indeed, it has all the than Europe or North Amerstereotypes — an arrogant, ica, and preferably from a bullying United States, a Eu-country which has shown a real commitment to trade liberalization even in the most A dispute of this magnitude difficult of circumstances. is clearly not about the in- The job is up for grabs when terests of the small, poor de- the Italian incumbent, Renato

Ruggiero, retires next month.
The episode ought to promote the candidacy of Thailand's Deputy Prime Minister Supachai Panichpakdi, an economist and politician who has long been a free trade advocate and has done more than anyone to keep Thailand on a path of liberalization through the Asian crisis. Or the candidacy of Mike

small nation with an unusually open economy and one which has suffered more than most from the farm policies of Europe and the United States. If the liberalizing agenda of the WTO is to flourish, it needs a head who represents a more diverse world than the

Moore from New Zealand, a

North Atlantic. If the next world trade round is to gain momentum, the WTO must broaden its constituent base. It maust be seen to identify with all players in the trading system, especially with those yet to be entirely convinced that freer trade is practical and desirable for all, not just for the developed elite.

Meanwhile, the European Union and the United States deserve to be punished by the rest of the international trading community. Their behavior in the banana affair has tarnished the system that they built. They should forfeit their assumptions of a right to leadership.

OPINION/LETTERS

The Republican Party Is Reinventing Itself

By E.J. Dionne Jr.

WASHINGTON — The Republican Revolution of 1994 was inspired by the anti-government views of the anti-government views of the August Maryel. realizing that it is not in the economist Friedrich Hayek, 1980s anymore, and that it can who tirelessly campaigned not run against the '60s against government interfer-forever. That is what the seem- ence in free markets. Most ingly unstoppable rise of Govemor George W. Bush of
Texas means, but it is also what explains the interest in the presidential candidacies of Rlizabeth Dole and of Senator John McCain of Arizona.

While most respect that they were not giving it before. Their change of heart reflects a simple calculation. Attacks

not want to admit it, they are changing because they are coming to terms with the transformation in American politics brought about by the man they referred to scomfully during the impeachment battle as Wil-Imerican [4] liam Jefferson Clinton.

The obvious agents of change are the party's governors — much as Mr. Clinton, the governor, was a change agent in the Democratic Party. Governors, unlike members of Congress, normally build expansive coalitions to win office - just as the Repub-

licans need to do now. "By the circumstances we are involved in, we are obliged - you can't avoid it - to be involved with and serve diverse populations," said Governor Marc Racicot of Montana, a districts - and was opposed by Republican who has been or- many in his own party even as it ganizing his colleagues on behalf of Mr. Bush.

The power of the governors, and of Mr. Bush in particular, rests not simply on the nature of their jobs but on a signifi-cant change in the political

ence in free markets. Most

While most Republicans do on government, and on the services governments provide, no longer work as an electoral strategy. Listen to Marc Spitzer, a top Republican in the Arizona Senate and a firm foe of big government spending: "There's an emerging majority that's fiscally conservative but recognizes that there's a role for government, a limited role for government, that assists people in solving problems."

The Bush phenomenon is as interesting as any. His popularity in Texas is built in part on are learning from Mr. Clinton. issues that Mr. Clinton seemed to have a patent on. His edu- to evince some compassion moved money to poorer school won support from Democrats.

Then there is his embrace of 'compassionate conservatism." The compassionate conservative believes that social problems are best solved



groups, rather than through government intervention. Alex Castellanos, a Repub-

lican consultant, sees compassionate conservatism as defining "a more decentralized, modern, dynamic' approach to social ills and a declaration that "we actually believe we can help more people."

Here, too, the conservatives "Clinton has shown an ability

a-half-party system, a "sun" party whose light dominates the landscape and a "moon" party that either reflects off or bate in 2000 to their liking. reacts to the sun party. In the 1980s, political conser-

vatism in the Republican Party was the sun. Democrats and libby strengthening programs run erals spent more than a decade that Mr. Climon brought to the by churches and community responding. The result was Mr. fore — education, social in-

Clinton's formula, much as the surance, health care reform and British Labour Party's response child care - and to the public's to Thatcherism was Tony Blair's "Third Way."

The Republicans' "govern-ment is the problem" view is not the sun anymore. It has been supplanted by a moderate government's necessary role. But that does not mean that Democrats have translated this The rethinking in the Repub-

into partisan dominance. Democratic rethinking was in cation reforms are tough and Republicans haven't been enough for conservatives and successful enough for every-body else. His shifting of state education spending actually united States rarely has a two-bush and Mrs. Dole show in recent elections, there is no Republican resistance to acparty system. It has a one-and- the polls against Vice President Al Gore suggests that Republicans still have the capa-city to shape the political de-

> But by fits and starts, Republicans are realizing that if they are to do this, they will have to respond to the problems that Mr. Clinton brought to the

embrace of his idea that it takes a moderate but active government to solve them.

Whether Mr. Bush is all that his supporters say he is - and whether he can bridge the Reprogressivism that accepts publican divide on such issues as abortion -- will be tested over the next year and a half. philosophical transformation lican Party is not as far along as 1992. And there will be much commodating the American majority's desire for a governing party that does not view government as unnecessary.

But if bringing about that ac-commodation is Mr. Bush's essential mission, there is much he could learn from the man in the White House. "I believe that iust as Bill Clinton was a New Democrat." Mr. Castellanos said, "this year there's going to be a New Republican.

The Washington Post

A Forgotten Papal Encyclical **Might Have Changed History**

By Marvin Hier

expected to make a decision regarding the candidacy for sainthood of three of his predecessors, John XXIII, Paul VI and Pius XII, who was the Pope during the Holocaust. The beatification of Pius XII would be condemned by many Holocaust survivors and Jewish organizations,

including the Simon Wiesenthal Center. Only this month, a London newspaper said that the independent judge for the

MEANWHILE

cause of Pius XII's beatification, the Reverend Peter Gampel, reported finding much evidence of his efforts to

Another predecessor, Pius XI, is not being considered for sainthood. Yet it is this Pope more than any other who many believe came closest to dramatically changing the history of the 20th century. Ambrogio Damiano Achille Ratti took the name Pope at 1922, when he

was elected Pope — the same year Benito Mussolini marched on Rome. He had the misfortune to preside over

the church during the advent of an age of dictators. In the early years, Pius XI, despite his misgivings, sought accom-modation with them, fearing that confrontation would only weaken the church. So in 1929, he signed a concordat with fascist Italy that protected the Vatican's independence. In 1933, he allowed his secretary of state to sign a concordat with Hitler, hoping to preserve Catholic institutions in Germany.

He did not protest when the Germans passed the first anti-Semitic laws in 1933, excluding non-Aryans from public office, or the infamous Nuremberg laws in 1935.

But the record is clear that Pius XI was greatly troubled by his deal with the devil, and the more he observed the Nazis' inhumanity and deceit, the more determined he was to confront them. In his 1937 encyclical — a paper expressing the doctrine of the church - he lambasted those who worshipped the superiority of race. A year later, when Cardinal Theodor Innitzer welcomed Hitler's takeover of Austria, Pius XI forced him to

issue a humiliating public retraction.

But the apex of Pius XI's resistance came when he ignored his own inner circle of advisers and instructed a visiting American Jesuit priest, the Reverend John Lafarge, to write an encyclical condemning racism and anti-Semit-

OS ANGELES — As the 20th century draws to a close, Pope John Paul II is expected to journey to the Holy Land to help mark the millennium. He is also cyclical as if he were the Pope. Father cyclical as if he were the Pope. Father Lafarge and two colleagues worked feverishly to prepare the document that they called "Humani Generis Unitas" ("Unity of the Human Race").

On Sept. 20, 1938, Father Lafarge handed in the completed document to the father superior of the Jesuits in Rome. It condemned anti-Semitism in language never before uttered by a Pope.

'Millions of persons are deprived of the most elementary rights, denied legal protection against violence and robbery, exposed to every insult and public degradation. Innocent persons are treated as criminals; even those who in time of war fought bravely for their country are treated as traitors. ... This flagrant denial of human rights sends many thousands of helpless persons out over the face of the Earth without any resources.

Coincidentally, on the day Father La-farge handed in the encyclical, Pius XI, speaking to a group of Christian pil-grims, said: "Abraham is our patriarch and forefather. Anti-Semitism is incompatible with that lofty thought. It is a movement with which we Christians can have nothing to do." He added, "Spiritually, we are all Semites."

Tragically, Father Lafarge's document was too shocking for some con-servative prelates in Rome. They delayed sending it on to the ailing Pope, who kept asking for it but never saw it until it was too late.

With Father Lafarge's encyclical on his desk, Pius XI died on Feb. 10, 1939, before he could sign it. The new Pope, Pius XII. refused to issue it. Mysteriously, the document soon disappeared and not another word was heard about it until the National Catholic Reporter broke the story 43 years later.

What would have happened if the encyclical had been signed? Many believe that it would so have divided Germany's 45 million Catholics that it would have delayed or prevented Hitler's plans to launch World War II. The three candidates for sainthood

can claim many achievements. But only Pius XI, who is not a candidate, was willing to confront Adolf Hitler, no matter what the consequences. It is sad that this significant achievement has been condemned to the anonymity of the hidden stacks in his much beloved Vatican Library.

The writer is the founder and dean of the Simon Wiesenthal Center. He ism. The Pope had read Father Lafarge's contributed this comment to the Los book on the racial injustice done to Angeles Times.

LETTER TO THE EDITOR

One European's View

I am a European. I am a member of a multinational community — Europe — that probably for the first time in history puts me and the 300 million or so people living here at the center of its deliberations, debates and legislation. And I proclaim that I do not want to eat hor- children. mone-treated meat, no matter where it

done to make life less stressful for those who live near-airports.

I care that the sick receive the medical treatment they need, that the elderly have enough comfort, and that the unemployed, too, can afford to have

And I am hesitant about bombing comes from, or genetically modified people, whether soldiers or civilians,

foods. I do not want to fly in old planes, anywhere, just on the presumption that if killing anybody, no matter who they are debt for past ravages. or what they have done or could do.

I am sick to death of having American rightness rammed daily down my throat. I am doubly sick to see the world slapped about and abused incessantly by the tan- the same. trums of that hysterical, hypocritical "superpower."

I am happy to eat bananas from the and I am happy that something is being I do not bomb them, they will bomb Caribbean, a part of the world with others. In fact, I am averse to the idea of which we Europeans still have a huge

> If Europe loses its "battle of the banana" I will simply boycott Chiquita products and even old Boeings. And I exhort all my fellow Europeans to do

Pisa, Italy.

THE SOUND OF TRUMPETS

Reviewed by Jonathan Yardley

WITH this novel, John Mortimer completes his tart and armsing trilogy devoted to the life and career of Leslie Timuss, Conservative member of Parliament and devoted apostle of his involuntarily retired leader, Margaret Thatcher. Now elevated to the House of Lords, Titmuss has time on his hands and (on behalf of his adored leader) revenge in his heart. How he achieves the latter is

The precipitating event is the death, under peculiar if not outright suspicious

that little traitor ... that damp, fawning, Europe-loving git whose true occupation is selling strings of onions off a French bicycle, that three-legged coward who stood with his dagger out during the assassination of the greatest Leader we ever had, his hand shaking and afraid to strike, that vacillating voice of the Prime Minister's movement for mediocrity." Willock, in other words, simply will

not do. So Titmuss puts himself at the service of the Labour candidate, a (spine-less) young man named Terry Flitton, who mouths the Socialist line but whose ambitions and drive far transcend any

imitations placed on them by ideology.

Matters are complicated by others in the cast: Paul Fogarty, warden at Skurfield Young Offenders' Institute, a soft-hearted fellow who is potentially compromised by his homosexuality,
"Slippy" Johnson, one of his willer charges, Agnes Simcox, the lovely leftist at a local bookstore.

Timmss, meanwhile, is giving Terry unsolicited but valuable advice and un-

dermining Willock at every opportunity. Revenge being "one of the few remain-

former MP and now his party's choice himself into the campaign with all the for Hartscombe and Worsfield South. energy he can muster. Teny knows that Willock, as Titmuss nicely puts it, is he is "simply the instrument of Titmuss's nothing to do with the case when a seat in Parliament suddenly seems possible.

As Terry draws closer to victory and as the charms of Agnes continue to lure him, he wearies of "the narrow intensity" of his wife's politics: "There were political ideals, and there was the art of winning elections, and Kate seemed quite unable to keep the two conceptions separate in her mind. Titmuss was skilled in the art of winning elections and whatever his bizarre reason for offering it, his help

might lead Terry to victory."

If Terry's reasoning seems to mirror or parallel that of Tony Blair and his exemplar, Bill Clinton, so be it. Mortimer is himself a gentleman of the left, but that has not blinded him to the shortcomings has not blinded him to the shortcomings of its present generation of leaders. He seems to feel more than a twinge of regret at the passing of Titmuss and Thatcher and the many others who, however repellent he may have found their politics, offered such fat targets for satire. Opportunistic little Terry Flitton is a pygmy by contrast, and no one understands this more clearly than Mortimer.

Washington Post Service

and the second of stacings them and a been such BOOKS

By John Mortimer. 273 pages.

the chief business of the novel.

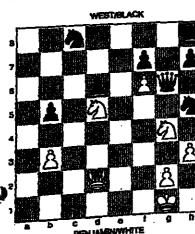
circumstances, of Peter Millichip, MP.
This mandates "a by-election in the constituency of Hartscombe and Worsfield South," home ground for Timmss and, for more than half a century, unregenerately Tory ground. One would assume that Titmuss would reflexively support whomever his party put up for the seat, but one would assume incorrectly. Titmuss cannot forgive the spineless Tories who tossed Mrs. Thatcher and replaced her with (the spineless) John Major. Revenge being "one of the few remain-Among these is Tim Willock, a ing pleasures of old age," he throws

CHESS

By Robert Byrne

THE Saintly Cup International Tour-nament in the Queen Victoria Building in Sydney was the strongest ever held in Australia. There were four grandmasters and six international masters in the 10-player round-robin competition, which ran from Jan. 19 to 30. Joel Benjamin, a Manhattan grandmaster, took the \$1,800 first prize with 7-2, ahead of the Australian grandmaster Ian Rogers, who scored 6-3 for second place and the Chinese grandmaster Zhang Zhong, who finished third with 5½-3½.

moral behavior to be observed by the time



Position after 34...Nc8

Malaysia, the sponsor.

Benjamin, who helped train I.B.M.'s control of the board.

After 28 f5!, the black kingside came under fire and the forced 28...gf 29 ef penings and is still playing them, even ther they have achieved considerable the important e line. formidable chess computer, Deep Blue, has long favored off-the-beaten-track openings and is still playing them, even after they have achieved considerable popularity. In the first round, he used one to defeat the Australian international master Guy West.

The unusual anti-Sicilian system with 3 c3 and 5 Bd3 has been grouped with the closed Sicilians, but in this game, Benjamin quickly opens the position with 7 d4. In sandwiching in 4 h3, he showed that he thought it was important enough to prevent black counterplay in the cendess not refer to any stringent code of the with ... Bg4 to justify the loss of

The peculiar development with 5 Bd3 is based on the consideration that after 5...Bg7 6 Bc2 e5 7 d4, the white king is on a better diagonal than it would be after 5 Be2.

An M. Ginzburg-G. Serper game in the 1998 Pan-American Tournament

went 7...ed 8 cd O-O 9 O-O Nc6 10 d5 Nb4 11 Nc3 Nc2 12 Qc2 Re8, with reasonable play for Black. After 10 O-O, West should have tried

10...Nes, one thought being that 11 Be3 d5 12 Nes be 13 ed Nd5 14 Bd4 Bd4 15 Qd4 Qb6 gives Black sufficient play. After 17 Nh2, the d6 pawn was left as weak as before.

After 19...Rc8, there could have fol-lowed 20 Qd6, but after 20...Qg5 21 Qb6 Nf4 22 g3 Nh3, Benjamin judged the situation as unclear. Also, after 20 Bb3 Qh4, Benjamin decided that it was risky to venture 21 Qd6 and let West get some

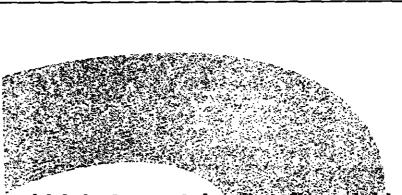
participants but to a favorite animal of counterplay with 21...Nf4. Besides, his the noted horsebreeder Dato Tan of 21 Bd5! Bd5 22 Nd5 b5 23 ab ab 24 b3 Re6 25 f4 Nc6 26 Ng4! gave him strong

After 31...Kh8, Benjamin suddenly shifted his attack to the vulnerable c line with 32 Rc1!, threatening 33 Nb6 Rc7 34 Qd6. On 32_Na7 33 f6 Qg6 34 Rc8 Nc8 35 Qc1!, the black knight at c8 had to be lost: thus, 35...Qg8 36 Nc7 Nc7 37 fe Qc8 38 Qc7 f5 39 Qd8 Ng7 40 Nf6

wins the queen.

After 40 Qf8, when Benjamin had reached the time control, West gave up rafter than face 40...Qg6 41 Qd6 Ne6 42 Nd5 Qb1 43 Kh2 Qb3 44 Ne5 b4 45 Qe7

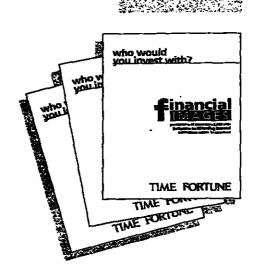
SECULIAN DEFENSE						
White Benj'mb	Black West	White Benl'min	Black West			
1 04	ය ්	21 Bd5	Bd5			
2 N/3	d6	22 Nd5	b 5			
3 c3	N I 6	23 ab	ab			
4 h3	26	24 b3	Ref			
5 Bd3	Bg7	25 ft	Nc6			
6 Bc2	gti Bg7 eప	26 Ng4	Qd8			
7 d4	cd	27 QK2	Qf8			
8 cd .	ed	28 £Š	Qf8 gf Rel			
9 Nd4	0-8	29 ef	Rel			
10 0-0	Reŝ	30 Rel	Qg7 Kb8			
11 Rel	26	31 Qd2 32 Rel				
12 m4	b6		Na7			
13 Nc3	Bb7	33 f6	Qg6			
14 Bf4	Nb5	34 Rc8	Nc8			
15 Bh2	Be5	35 Oc.1 38 Oc.7 37 Qa.7	Na7			
16 Nt3	Bh2	38 Qc7	h6			
27 Nh2	Nef	37 Qa7	Qe4			
18 Qd2	Ne5	38 Nde3	NI4			
19 Radi	Rc8	39 Qb8	Kb7			
29 Bb3	Qh4	40 Q18	Resign			



which is Europe's leading financial institution?

which European country has the highest level of online banking?

how do Europeans rate your company?



financial images reveals over 2,600 top Europeans' perceptions of 90 leading financial institutions across 14 countries

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Javier Solana Madariaga, left, secretary-general of NATO, meeting with Mr. Clinton at the White House on Monday to discuss NATO's role in the Balkans. Mr. Solana said he feared a "human catastrophe" in Kosovo.

EU: Pressure to Act on Charges of Fraud and Mismanagement

Continued from Page 1

pursuing allegations of corruption in the EU's tourism officer for many years. The committee said it had not found any cases where any of the governmentappointed commissioners had been directly and personally involved in fraudulent activities. Neither had any of them

benefited personally, it said. It found, however, "instances where whole bear responsibility for instances of fraud, irregularities or mismanagement in their services or areas of special

It said commissioners should be aware of what's going on in their services and added, "No strategy of coverup may ever be considered accept-

The report was critical enough of one commissioner - former Prime Minister Edith Cresson of France — that the European Parliament may initiate moves to have her ousted. Edith Mueller of the Greens party said, "My first demand is

that Mrs. Cresson should resign."
The report said Mrs. Cresson "failed to act in response to known, serious and continuing irregularities over several years" in a youth training program for which she was responsible and that she was had displayed favoritism. She hired a dentist, Rene Bertheolot, from the French town where she formerly served as mayor for undefined duties with the commission.

The report confirmed allegations in the Parliament and the press of cronyism, fictitious and fraudulent accounts, profound mismanagement and widespread lack of financial control. In many cases, it said, the commission had assumed new responsibilities without the resources to oversee them. Or it awarded contracts to outside agencies and failed to maintain any control.

The investigators said they found fraud could be discovered, but where commissioners "allowed, or even encouraged conduct, which, although not

illegal per se, was not acceptable. Questioned actions included the appointment of spouses, close friends or family members to plum jobs or con-tracts. For example it found that Joao de Deus Pinheiro had recruited his brotherin law, and should not have done so even if he did not contravene the rules.

The committee blamed Mr. Santer personally for allowing a "a state within a state" to develop in the awarding of commission security services to an outside contractor. It said the German commissioner Monika Wulf-Mathies had inappropriately hired someone for her personal staff. And it found that Manuel Marin of Spain erred in setting up a Mediterranean program, failing to monitor it properly and waiting too long -20 months — to act after irregularities were pointed out.

It drew a picture of a commission too concerned with theoretical political problems than with solid management. The commission had to confront a growing range of challenges, including en-largement of the EU, the "mad cow" scare, humanitarian crises and the problem of refugees, but it shirked its collective responsibility to ensure it had the staff and means to manage programs.

Paul van Buitenen, the commission auditor whose revelations led to a Parliament inquiry, said the report had vin-

dicated him. "I am a genuine whistle-blower. I first addressed my hierarchy treaties. and received no personal gain."

In reply, he said, some commissioners had attacked his personal integrity, and be was still suspended on part pay. "I have been very lonely," he added. "I The Parliament does not have treaty want my job back."

The dispute has forced the commission onto the defensive and given the Parliament a chance to raise its profile in commissioners or the commission as a advance of Europewide elections in June. There was some irony in this because the assembly itself is noted for expense-account fiddling and is no stranger to financial excess. Its 1 billioneuro building in Brussels boasts a shower and toilet for each deputy, at a cost of 12,325 euros each when installed

> In January, the Socialist group headed dismiss the entire commission, which a commissioner had to go."

But the Parliament refrained from taking this ultimate step in exchange for an

rights to dismiss individual commissioners. Mr. Santer, who earlier defended the collegiate and collective nature of the commission, now says that he expects fellow members of his team to accept the political consequences of the report, which could mean that Mrs. Cresson, for one, will come under pressure to resign. The commissioners are directly nominated by governments, which alone have the right to remove them as individuals.

Mrs. Green said in a recent interview that as a result of the Parliament's deoff attacks on Mrs. Cresson and Mr. bate, "I don't think any government Marin, both Socialists, by proposing to could stand against Mr. Santer if he said

In a Panic, Ecuadorans Rush to Reopened Banks

OUTTO, Ecuador - Thousands of customers anxious to withdraw what money they could lined up Monday at up privatization of state companies. banks reopening across Ecuador after a weeklong shutdown ordered by the president to stave off economic meltdown.

In Quito and Guayaquil the panic was greatest among customers of Banco del Progreso after rumors that the bank was on the verge of folding.

The police patrolled the streets of most

major cities as thousands of taxi drivers paralyzed traffic by taking to the streets to protest the austerity measures announced reday by President Jamil Mahnad

Commuters were forced to walk to work as roadblocks prevented traffic flowing and bus drivers boycotted work in support of the taxi drivers.

Mr. Mahuad, a former mayor of Quito who took office seven months ago, ordered the banks to close last Monday amid massive withdrawals as investors lost confidence in the financial system. The currency, the sucre, had lost a quarter its value in a week, and in recent months the government had been forced to take over seven of the 39 banks.

Finance Minister Ana Lucia Armijos urged Ecuadoreans to ignore rumors of bank failures and not withdraw all the money they could.

The austerity measures have doubled gasoline prices and partly frozen bank

accounts for a year. Mr. Mahuad also proposed tax increases, cuts in the bloated bureaucracy and steps to speed

Prices of basic goods have risen sharply in markets. Furious leftist-led unions have called for street protests and bank occupations Wednesday to force Mr. Mahuad to back down.

As he waited in line at the Banco Pichincha bank, Mario Ramirez, an accountant, said: "We all knew something radical had to be done to save the economy, but now that it's here it's scary. What is going to happen to Ecuador?"

measures, has 30 days to vote on the reforms. It was scheduled to begin debate Monday afternoon. The legislature appeared likely to re-

ject the measures after the powerful conservative Social Christian Party, which has supported many of Mr. Mahuad's proposals, called them "useless and in-

Mr. Mahuad's centrist Popular Democracy party lacks a majority in Congress. Mr. Mahuad declared a 60-day state of emergency last week, which gives him the power to use troops to guard vital industries and banks in case of protests. A two-day national strike last week against austerity measures closed down stores and transportation. `(AP, AFP)

BRIEFLY

Bedouin Exodus' Follows Tribal Feud

ISRAELI-EGYPTIAN BORDER --Hundreds of bedouin flet into the Negev in Israel from the Sinai Peninsula in Egypt on Monday to escape a tribal feud. the Israeli Army said.
"It's like the Exodus," said Adva

Loyd, spokeswoman for Israel's Ramat Hanegev regional council.

The army said upwards of 600 bedouin

To Continue Fight

Congo - The rebel chief in Congo, Jean-Pierre Bemba, said Monday that he would keep up his fight to depose President Laurent Kabila despite the appoint-

"It doesn't change anything," Mr. Bemba said by satellite phone from a base in northern Congo. "It's their business and it doesn't concern me. I'm concerned with fighting Kabila and we are still continuing the struggle."

cabinet Sunday, appointing Bemba Saolona, a businessman, minister for economy and industry.

Canada and U.S. Feud on Magazines

OTTAWA - A bill before lawmakers bere could move Canada and the United States closer to a trade war over Canada's

The United States has threatened punitive tariffs on Canadian products if the Ethiopia was widely assumed to have bill becomes law. But even if the lower recent months, including during Sechouse passes the bill Monday — as is retary of State Madeleine expected — it must still be considered by it to Beijing a week ago.

Canada's Senate. split-run magazines, or Canadian editions of U.S. magazines. Canadian publications say they are losing advertising to the splitruns, which have lower costs and can charge less for ads. U.S. and Canadian negotiators will meet again Friday. (AP)

Ethnic Albanians Ready for Peace

But Kosovars Are Told Signing Must Wait Until Serbs Agree to Pact

By Craig R. Whitney New York Times Service

PARIS - Ethnic Albanian rebels fighting for independence for the Serbian province of Kosovo told France and Britain on Monday that they were ready to sign an accord worked out in talks last month to disband their army and would 28,000 NATO peacekeepers to guarantee the agreement.

But they were not asked to sign when the Kosovo peace conference reconvened in Paris on Monday. French officials said Monday night that international mediators were trying to find out if the Serbian side would also accept the agreement with some minor changes, leading a key negotiator for the Albanians to warn, "We agreed to a document that has already been completed."
"It's up to the mediators now to get

Serb agreement to the document," said Veton Surroi, an Albanian leader in the talks at Rambouillet that hammered out the accord last month. Kosovar Albanian agreement to sign could become null and void, advisers to the Albanian delegation said, if the international sponsors of the they wanted, and trying to persuade them talks began proposing changes.

The Serbian side has accepted most of

the political provisions of the agreement but has refused to consider NATO peacekeepers to enforce it, even though NATO has threatened President Slobodan Milosevic of Yugoslavia with heavy bomb-

ing of Serb targets if he does not agree. The ethnic Albanians announced their acceptance of the package on Monday only under considerable pressure from the United States and after taking more than two weeks to discuss the terms in Kosovo with representatives of the 2 million

people of the province. 'If you propose changes to the agreement the Kosovars have accepted, you will take what had been a victory for British and American diplomacy and turn it on its head," said Paul Williams, a

legal adviser to the Kosovar Albanians. Hubert Vedrine, France's foreign minister, and Robin Cook, the British peace conference, hailed the long-bouillet last month to awaited acceptance of the terms by the when it was finished. Kosovar Albanians as a breakthrough.

"The Yugoslav delegates are now up

from the talks, at which the two officials consent," and none had been discussed portrayed the Serbs as the main obstacle with them yet, he said.

to an agreement. settle for autonomy, with a force of continued to order Serb attacks against civilians in Kosovo and to refuse to this agreement in your present accept the peace agreement. Mr. Vedrine and place of your choosing."

seemed to play down any threat.
"The NATO decisions remain in there was one, it would be very short."

Then he added, in answer to a question, "There is a finalization of the negotiations, which were quite far advanced in Rambouillet, on the political side of the agreement. And that is taking place between the Yugoslav delegation and the mediators. Obviously, there is very little leeway."

French officials said the mediators were not discussing changes in the agreement with the Serbs, but only trying to sound them out about what changes to accept the agreement in principle.

"We know nothing basic or really important can be changed," one official said. "But if they would agree, for example, to an 'international military force,' if not yet to a NATO force, then it would be difficult to justify bombing them."

Underlying the differences is the fragility of agreement in the six-nation "Contact Group" that is sponsoring the talks. Russia, which the allies would like to participate in the eventual peacekeeping force, is adamantly opposed to bombing the Serbs. The United States is readier to use the threat of bombing than France is, but would leave most of the peacekeeping to 14,000 French and British troops. Germany and Italy are somewhere between France and Britain.

And the Kosovar Albanians proved far less willing to accept allied security guar-antees than the United States had thought. bouillet last month to sign the agreement

Now, Mr. Williams said, "The Kosovar Albanians have given an unequiagainst the wall," Mr. Vedrine said. vocal yes to the document." But, he "They must now act quickly to make up added, "The Kosovar delegation was

press conference in the French Foreign
Ministry on the other side of the Seine changes to the agreement absent their

Their acceptance on Monday came in But unlike President Bill Clinton, who a letter to the co-chainmen from Hashim said Monday that the allies would have little option but to carry out threats to bomb Serbian targets if Mr. Milosevic continued to order Serb attacks against this agreement in your presence at a time

Mr. Vedrine and Mr. Cook said that, in a meeting with the Albanians on Monforce," he said, "and everyone knows it.
We have not as yet fixed a deadline. If reassurances that this meant acceptance of both the peace terms and the NATO peacekeepers to enforce them.

European officials said they did not ask the Albanians to sign right away because they wanted flexibility in dealing with the Serbs to get them to accept the peace plan, an 82-page document with provisions for a constitution, an ethnically representative legislature, an independent police force and a mul-tinational NATO-led military force that would disarm the Kosovo Liberation Army and oversee the withdrawal of all but 1,500 Serbian border police from the province within a year.

After three years, it says, an inter-national meeting would be convened to discuss a final settlement, taking interaccount "the will of the people" and the opinions of relevant authorities."

Mr. Milosevic's special envoy, President Milan Milutinovic of Serbia, said after Monday's session of the talks, "We are still working on the political agreement. All those stories that the agreement is finished are fake."

■ Serb Forces Continue Attacks

As the two sides sat down to new peace talks in Paris, Serb security forces poured rocket and mortar fire onto saspected rebel positions along a front in northern Kosovo on Monday, Renters reported from Drvare, Serbia.

Smoke rose from burning houses in villages in the eastern foothills of Ciminister, and Robin Cook, the British Secretary of State Madeleine Albright cavica Mountain. There has been foreign secretary, the co-chairmen of the was unable to persuade them in Ram-sporadic fighting along the Vucitm front, which now stretches at least 15 kilometers (nine miles) north to south, for about three weeks. But in the last three days government troops in the area, who now number in the hundreds: have stepped up pressure on separatist for lost time," Mr. Cook agreed at a informed by the U.S. National Security guerrillas of the ethnic Albanian KLA.

CHINA: U.S. Accusations Are Denounced by Prime Minister

Continued from Page 1

Still, mixing his trademark plainspoken humor with a bit of wise-guy semantics, Mr. Zhu seemed to be gearing up for his trip to the United States, scheduled to begin April 8. The former mayor of Shanghai will be a formidable adversary to opponents of China in the United States. Indeed, Mr. Zhu is not unaccustomed to the task of selling China to uncertain buyers. In 1990, 13 months after China's crackdown on a student-led movement around Tiananmen Square, Mr. Zhu — as a Shanghai official — traveled to 12 cities in the United States in a trip hailed at the time

as a major success. Mr. Zhu acknowledged that he felt "an uneasy heart" at the prospect of facing criticism from across the American political spectrum over allegations that China in the late 1980s obtained information from the United States that allowed it to miniaturize its nuclear weapons -- a major step forward in weapons development.

coming visit will not be successful. But I will go anyway. As you are angry, I must go there to let you vent your spleen." 'I don't think my visit to America will be entering a minefield but for sure I do expect to encounter bostile or un-

friendly feelings," he said. However, Mr. Zhu characterized regood" and said in general that he exton administration.

"Perhaps President Clinton and I will not necessarily hug each other," he quipped, recounting how he and President Boris Yeltsin of Russia had kissed during his visit last month to Russia, "but we could shake hands warmly and that would have the same meaning.

While Mr. Zhu said his goal in traveling to the United States was to "resume the good momentum" in U.S.-China relations, exactly what U.S. and Chinese officials hope to achieve during the summit is nuclear.

Mr. Zhu was frank in his appraisal "Of course, it will not be an easy task about the possibility that China and the

to visit the United States," Mr. Zhu said. United States could agree on terms for MISSILES: Beijing's Nuclear Upgrade

Continued from Page 1

Soviet Union's mistake - a military force so expensive that it sped the bankruptcy of the nation. But China's modernization certainly could accelerate its ability to threaten its neighbors, and it could be sped up if China feels increasingly insecure. "With or without the W-88 warheads,

China today is able to threaten the United States," William Perry, the former defense secretary, said last week in Washington, just after returning from a visit to China where he spent time with Chinese military leaders and President Jiang Zemin. "You have to anticipate that ability will improve in coming years. They will evolve into a more global force. The challenge is how do we manage that?"

Western experts are not certain whether China, as part of its improvements, intends to place multiple war-heads on its new missiles, as the United States and Soviet Union did. The W-88 technology could speed that transition.

"Even if they eventually put six or 10 warheads on their ICBMs, we will still bave an overwhelming advantage," said Bates Gill, a specialist on the Chinese military at the Brookings Institution. "But if it is achieved, it could complicate our calculations in the years ahead."

Judging from the public statements of Chinese officials, what is most likely to provoke an expansion of their nuclear forces is a decision by the United States to deploy anti-missile defenses around the American mainland and around Japan, Taiwan or South Korea. China's objections to the proposed missile shields have become more vociferous in retary of State Madeleine Albright's vis-

In a January speech in Washington, China's senior arms control official. Sha Zukang, warned that if it erects a missile defense, the United States would force China to further upgrade its intercontinental nuclear forces.

Many of those were later sold to other nations, starting a decade of tensions with Washington over proliferation. Bomb tests, initially above ground and then below, accelerated into the 1990s.

Intelligence gathered from one of these last tests, conducted just before China signed the treaty that bans underground testing in 1996, led the American agencies to suspect that China had obtained the W-88, and started the search for a spy at Los Alamos.

Since the early 1980s, with the in-

moduction of a new generation of long-range ballistic missiles, two classes of China's nuclear weapons have been capable of reaching the continental United

None of the missiles is a precision weapon, but precision is not the goal In contrast to the strategy used by the Soviet Union and the United States, the key to China's nuclear doctrine has been what Western experts call a minimum deterrent — the ability, after a major attack by a nuclear adversary, to launch at least one or two missiles that could destroy a major city.

"The Chinese realized that the whole approach taken by the Soviets and the United States was an extraordinary waste of money," said Joseph Nye, the dean of the Kennedy School of government at Harvard and a former senior Defense Department and intelligence official.

Their view is that as long as they have a few invulnerable weapons, they have all they need."

UN Helicopter Found A, Compiled by Our Staff From Disposches

MIAMI - A UN helicopter that was missing with 13 people on board was found crashed northeast of the Hairian capital, Port-au-Prince, on Monday, the U.S. Coast Guard said. Some of those on board survived the crash, it added. Earlier, the UN said those aboard included five Argentine police officers and an Argentine doctor serving with the United Na. tions in Haiti, six Russian crew members.

"The media has predicted my forth- China's entry into the World Trade Ori ganization - the only potential area of breakthrough between the two countries. "Thirteen years have passed since China began its negotiations," he said? "Black hair has turned white. It's time to conclude such negotiations."

Mr. Zhu echoed a line common in China today — the problems between lations with the United States as "fairly Washington and Beijing were caused by good" and said in general that he expected a warm reception from the Clin- States and that a small group of Americans were plotting to ruin U.S.-China ties. He reiterated China's opposition to talk in the United States about including parts of Asia under an anti-missile de in

fense umbrella. Speaking about allegations of Chines espionage, the prime minister said that Americans were guilty of two "underestimations." The first was to underestimate the security systems at the Los Alamos National Laboratory. The naclear weapons laboratory in New Mexico stands at the center of allegations about Chinese espionage. "As far as I know," he said, "the security is very tight." Second, Mr. Zhu added, China's sci-

entists are gifted enough to develop weapons. "China is fully capable of developing any military technology, he said, citing China's work on rockets an atomic and hydrogen bomb and sate lites. "It's only a matter of time."

"I think the question of China's theft of military secrets from the United States is a tale from the Arabian nights," he said. Mr. Zhu also discoursed on human

rights. The prime minister said that during Mrs. Albright's visit to China earlier this month, he told her that when she was still in high school he was already risking his life, fighting for human rights against the Chinese Nationalist government. 'She said, 'Is that so?' That showed she didn't quite agree with me."

U.S. Warplanes Continue Attacks On Iraqi Zones

Remers
WASHINGTON — U.S. Warplanes bombed air defense targets in the northern and southern no-fly zones of Iraq on Monday in response to Iraqi violations of the zones, the U.S. military said.

Such strikes have become a regular occurrence since Baghdad in December began actively opposing U.S. and British jets patrolling the Western-enforced zones, set up after the 1991 Gulf War to protect the Kurdish area in the north and Shiite Muslims in the south.

The U.S. Air Force said that F-15E jets based in Turkey detected Iraqi radar posing a threat to patrolling aircraft and dropped an unspecified number of laser-guided bombs on several artillery batteries northwest of the city of Mosul. Jets also attacked radar sites south of Baghdad

All the jets returned safely to their bases. The Iraqi News Agency said later that one person was injured Monday when U.S. and British warplanes attacked "civil facilities and weapon sites" in the southern zone.

Fighting Resumes in Africa Eritrea and Ethiopia, at War Again, Argue Over Peace By Karl Vick Washington Post Service NAIROBI - Two weeks after Ethiopia declared "total victory" and Eritrea acknowledged a major defeat, fighting has resumed on the contested

neighbors. This time, in addition to the boundary, the two governments are arguing over the peace plan both have publicly agreed

border between the Horn of Africa

Ethiopia accepted the framework hammered out by the Organization of African Unity back in November. Eritrea subscribed to the plan only after having lost the biggest chunk of contested ground, in heavy fighting on Badme plain that left thousands dead or

wounded. But instead of holding to the ceasefire demanded by the United Nations Security Council, the combatants have quarreled over details that diplomats failed to resolve in the nine-month pre-

lude to the February fighting. At issue are the smaller areas Eritrean forces continue to hold, including the Zalambessa and Tsorona front, where fighting resumed Sunday.

The peace plan calls for both sides to withdraw their forces from all contested areas, for independent observers to take the field and for technical experts to decide the boundary. Ethiopia, however, insists that Eritrea, which triggered the crisis last May by moving forces into the contested area, must pull out first.

Nor did the two governments agree on the intensity of the new fighting.

An Eritrean spokesman described it as "very intense," and claimed that Eritrea had destroyed 19 tanks and downed an Ethiopian MiG-23 fighter. Ethiopia called the claim "a lie" and described the fighting as moderate, after having denied Sunday that it was going on at

A diplomat who spoke from the Ethiopian capital, Addis Ababa, said started the battle, despite having "already paid a huge price in support from the international community" be-

cause of its earlier offensives. Someone could argue that if both sides would show a little grace, at least more casualties could be avoided," the diplomat said. "But these are not societies that disposed to magnanimity or grace, neither one of them.

had been stopped after breaching the border early on Monday and would receive humanitarian aid at a makeshift encampment while awaiting a solution.

The army said the bedouin, members of the Azazmeh tribe which has branches in both Israel and Egypt, had fled a

dispute with another tribe. (Reuters) Congo Rebel Vows

KIGALI, Democratic Republic of the ment of his father to a ministerial post.

Mr. Kabila announced changes in his

efforts to protect its magazine industry.

The bill seeks to keep out so-called

A variety of missiles were developed and deployed over the 1970s and 1980s, and a U.S. executive. (Reuters, AP)

Gaultier's Play on Tender Gender

By Suzy Menkes International Heroid Tribuni

ARIS - In his and hers knitted suits, the ARIS—In his and hers knitted suits, the bridal couple was racing the digital clock: 1983 as they stepped on the runway; half way down by 1994. The sound track from Stanley Kubrick's "2001: A Space Odyssey" rose to its crescendo. Five more paces. And then the applause, as the timepiece dickered 2000 to mark the turn of the millennium and the end of Jean Paul Gaultier's fall lennium and the end of Jean Paul Gaultier's fall

The dawn of a new era has been the subtext of the international fashion season that closed in Paris on Sunday. But it was not the smattering of futuristic clothes — all polar white and gleaming silver — that caught the fashion moment, but those that expressed the modernity of now.

That is the brilliance of Gaultier, whose streamlined clothes, imbued with multicultural references and worn by couples of different sexes and races, was the stand-out show.

The designer touched base with everything that is currently cool: the small jacket and wideflowing pants; shearling used as a second skin; the kimono wrap; the duvet as both protective coat and comfort blanket. But, invigorated by his launch into haute couture, Gaultier raised all that

esporty simplicity to a higher level of refinement. Take the sweater — the show's motif — and imagine cabled Aran made in furry knitted strips; or knits with the Nordic patterns worked in sequins, which is a Gaultier signature.

Most houses have a problem in turning couture fantasies into ready-to-wear — but not Gaultier. Ideas from his January show included the nonchalant scarf with a hands-free purse at either end and an effortless reworking of the African theme, as rouleau collars and hems, padded leather torques and braid-and-bandanna hairdos.

Draped dresses with belts slotted through one side were less successful - partly because they disrupted the tender gender story. Gaultier is a master of updated androgyny, making clothes that express the difference between the sexes in their textures or silhouettes, yet at the same time linking the masculine camel suit and woman's coat or his sparkling evening coat and her strap-

"I thought about the year 2000 and I didn't our society, because it is the mix of things that interests me," Gaultier said backstage after he took a standing ovation for an exceptional show.

French designers are at last capturing the multi-ethnicity of the modern City of Light. Yet, paradoxically, it was the Gallic sensitivity of Gilles Dufour's debut show for Balmain that was its charm.

"I don't want to be chanvinist -- but I loved it because it looked so French," said the interior decorator Jacques Grange, of Balmain's tiny tweed jackets, Brigitte Bardotinspired ruched dresses and shapely knits with Argyll-pattern

In his program notes Dufour evoked the Paris of the gravelly voiced Edith Piaf, of Mistinguett and the music halls. of the sailor pants of Jean Marais and the delicate drawings of

could have been edited out. But in the exuberant knitwear, the Balmain show was in a class of its own. Whether it was sexy cardigans fastened like soft corsets with hooks and eyes or those Argyllpatterned wrists, which emerged from tweed jackets scattered with dew drop sparkles, the knits caught a Parisian elegance in a youthful, modern way.
Was it too young for potential customers —
like the graceful Catherine Deneuve, sitting front "It's for me and for my daughter - there's

something for us both," the actress said, as Dufour took his bow with Claudia Schiffer who had returned to the runway to model for Bal-

Another debut collection came from Nathalie Gervais, a Canadian designer whose task is to capture the feminine essence of Nina Ricci in a modern way. With tendrils of tumbling curls, a puff of full sleeve on coat or sweater, yet flat boots, Gervais combined the sweet and the sporty. Fresh was a kimono jacket that flowed into wide, soft pants and a gilded sweater and diradl skirt, which was a pretty, modern way to dress for evening.

The smell of fresh grass from a meadow-sweet moway symbolized a new freshness at Christian Lacroix's show, where salon chic had given way to something more relaxed and whimsical.

The models stepped out in their dainty sandals, a different color ribbon for each foot, with trim coats embellished with fur, over easy dresses shimmering with paillettes. Banished were fancy little suits and complex drapes and cuts. Instead all the imagination was sunk into the fabrics: antiqued and embossed leather, hand-woven tweedy knits, appliqued bands of curly lamb, vibrant prints of birds and leaves. This remix of embellishment with simplicity made the most successful transition yet of Lacroix's spirit into genuine ready-to-wear.

THE signatures were still there: the flourishes of decoration as a chenille fringe dangled from a fuchsia dress or jet paillettes ran down pants that went with a monastic hooded cape top. Grave, sweet-faced models with simple hairstyles played against vivid colors like orange and turquoise and the paillettes, which sometimes gave a hallucinatory,

three-dimensional effect. The most intriguing evening outfits displayed loops of multicolored threads that were overlaid with tulle. It all added up to a relaxed show with a sense of joie de vivre, that sent the designer himself running down the

Original designers are islands of creativity in a sea of bland shows for the year 2000. Perhaps futurism was already discounted when the 1960s creators first envisaged sportswear, pants, zippered jackets and running shoes. The fall season closed with Pierre Cardin's collection, where the designer Sergio Altieri had introduced techno fabrics like laminated jersey, played with pleats, wind-blown or airy, and flashed the collection with bright red. The last sight of the

Split Personality From Valentino

By Suzy Menkes international Herald Tribuna

ARIS - Sex may be slipping out of fashion, but some designers are still prepared to give it a whirl. And if you want lingerie looks finessed into high fashion, Valentino is still dressing the sensual woman. She may need more than a sweater over her lacetrimmed, satin hot pants. But even skirts were side-split and pants were jeans-cut with flashy scarlet stitching. Yet this was an ambivalent collection, where discreet,

sporty suits, elegant dresses shaped with darts and double-faced coats with embroidery on the inside coexisted with boudoir looks like a racy apron-bib top. It made for a disparate show with some strong pieces. Cute embroidered purses, belts with mineral stones and boots

worn with everything were a binding folkloric factor.
Herve Leger took the curvy female body and applied to
it some complex fashion geometry, which at its best had a

linear dynamic and always works for his stretch bands.

Vivienne Westwood seems so obsessed with sex that every outfit was curved, skirts flipped up at the hem, sweaters clinging and dresses lapping the bosom. All this heroic femininity, fleshed out with Christmas tree baubles. could use a dose of Westwood's now-forgotten wit.



Valentino's sweater, beaded sash and hot pants.



Gaultier's rabbit-fur cabled sweaters with leather pants and sparkle skirt.

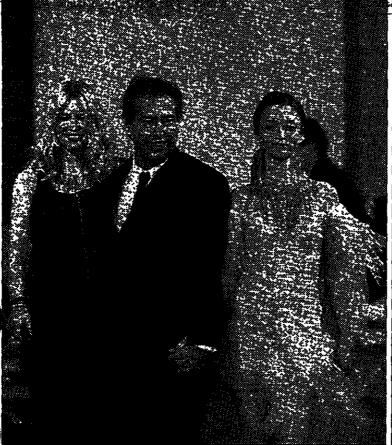
want to do science fiction — I wanted to show the evolution of Christian Berard. But this wasn't a kitsch show recking of

Instead, Dufour stirred in those elements as casually as he mixed the clothes: a jacket in herringbone tweed with a sensuous, calf-length silky jersey dress; in velvet over a fluffy grassy runway to take his bow. feathered mini; or with slim leather skirt traced with flower embroidery. By the show's end, the body-hugging shearling clothing, but no single fashion has emerged from the first Paris tops in dusty colors took ball skirts as their partners, turning Balmain's signature "Jolie Madame" into a skittish young

The light handed, youthful touches included rivulets of fine silver chains, leather thongs studded with tiny diamonds and breezy blue cotton shirts with white collars.

Inevitably, there were echoes of Dufour's 15 years at Chanel, both in the way jackets were used as a wardrobe's season was a wedding dress made from 44 meters of pearly building block and in the shredded tulle evening dresses that sheer fabric spinning like a satellite into the future.

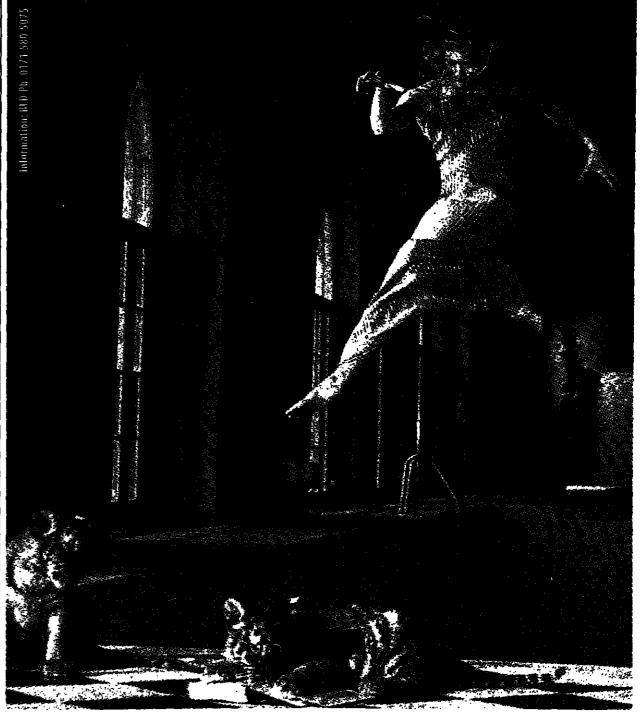




Balmain's Gilles Dufour, with finale dresses, taking his runway bow.

At left, Lacroix's basket-weave coat with fox trim over patterned jersey top and giant-flower-print skirt.





Style is not a size... it's an Attitude! MARINA RI

London: Harrods-Selfridges - Manchester: Selfridges - Dublin: Brown Thomas

La Vie en Rose

PARIS — It was a witty homage to the 1980s — and a naughty parody of Yves Saint Laurent, whose succession has been a story at the shows. But you couldn't help smiling an Jeremy Scott's fashion take on "La Vie en Rose." Out in only rose pink came everything from a fur coat through a sweat dress to a real live shocking-pink dyed poodle.

Back from the 1980s, Scott, 25,

dragged the angular shoulder pad and the pour dress raggedly perforated. And don't write off the maverick, gold-toothed designer. He has just signed with Trussardi as consultant for the jeans line. — Suzy Menkes

NYSE

Monday's 4 P.M. Close The 2.300 most traded stocks of the day. idaes not reflecting late trades (

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Continued on Page 14

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El Remedia. List

No EU Rescue for Duty-Free Business

By Barry James mernational Herold Tribune

BRUSSELS - Strong opposition from Denmark and other countries Friday blocked a British move, backed by France and Germany, to reprieve duty-free sales in Europe, which are due to end in June.

All governments had agreed in 1991 to end such sales aboard ferries and at airports, later allowing the industry a seven-year transition period to wind down the business. Instead, the duty-free industry has massively increased sales, and now

Thousands of French workers Monday blockaded the Channel Tunnel and the ferry port of Calais, stopping train traffic in the tunnel for several hours, to protest the planned abolition.

The European Commission, the EU's executive body, argues that duty-free sales are an anomaly in a single market. Sales to travelers in single market. Sales to travelers in considerable profits of the duty-or out of the EU would not be free firms."

6 billion-euro (\$6.5 billion) business will cause up to 140,000 job tional treasuries about 2 billion paign in Brussels and the capitals euros a year in lost taxes, leaving of EU countries to try to stave off euros a year in lost taxes, leaving taxpayers to make up the differ-

> The tax-free sales, predomin-antly of tobacco, alcohol and per-fumes, "must end and will end," Mr. Monti said. "We must end a situation where ordinary European citizens are paying for other people's duty-free and the quite

The International Duty Free massively increased sales, and now argues that the loss of the more than in charge of taxation and the single nanced by the tobacco industry, has

abolition.

But Denmark, which supports the commission's opinion, received enough support among European finance ministers meeting here to be able to block plans to allow a further reprieve of up to two-and-a-half years, as proposed The finance ministers passed the

problem to the EU's committee of permanent representatives of the

See DUTY, Page 13



A pro-duty-free sticker seen at a protest in Calais on Monday that stopped Channel Tunnel traffic.

Witter in London.

SA's stock fell in Paris trading amid 35.40 earos (\$38.70), down 43 indications that the companies were close to an alliance in which Renault 53 yen, or 13 percent, to 454 in

enough to give Renault veto power fifth-largest automobile maker in

Tokyo.

analyst with Morgan Stanley Dean

Renault shares closed in Paris at

Yoshiro Yamamoto, president of

Fuji Bank Ltd., Nissan's second-

biggest shareholder, said at a news

conference that the chances of a deal

between Renault and Nissan were

Europe's sixth-largest carmaker

have agreed to the alliance, Mr.

Hanawa was quoted as saying.

waiting in the wings.

miliar with the situation.

But not all the board members of

If a deal with Renault falls

The American company is also

through, Ford Motor Co. may be

seriously considering a stake of 33

percent or more in Nissan, The Wall

Street Journal reported, quoting

A Ford spokesman declined to

unidentified people it said were fa-

comment. Ford already owns one-

third of Mazda Motor Co. and has said it would consider increasing its

stake in that company, which is the

Nissan Gets Boost From Renault

Its Shares Soar 13% Amid Signs That an Alliance Is Near

TOKYO -- Shares of Nissan Mo-

tor Co. soared Monday, but Renault

would buy a one-third stake in Nis-

san, Japan's second-largest car-

Renault in Paris, Nissan's president,

Yoshikazu Hanawa, told the Nihon

Keizai newspaper that an accord could be outlined to Renault's board

But Renault cautioned that while

it was talking about a deal to buy a

firm offer. A representative of the

automaker said the board meeting

had been scheduled some time ago.

Nissan is seeking a partner to help it cut its debt of 4.3 trillion yen (\$36

Renault wants to expand in the

United States and Asia and cut costs.

A Nissan stake would give the

maker of Twingo and Clio cars ac-

cess to markets where it has little

A one-third stake would be

as early as Tuesday.

After talks over the weekend with

Fleet Agrees To Acquire **BankBoston**

By Timothy L. O'Brien New York Times Service

NEW YORK - Fleet Financial Group plans to acquire BankBoston Corp. for \$16 billion in a deal that would create the eighth-largest bank in the United States and the preeminent bank in

New England. The new bank, which is to be based in Boston and be called FleetBoston Corp., would have such a stranglehold on consumer accounts in states such as Mas-sachusetts, according to lawyers special-izing in banking law, that federal antitrust

law will require sales of bank branches. The transaction, announced late Sunday, will probably involve a significant number of job cuts and layoffs, any-where from 2,500 to 5,000, according to people involved in the deal, though the exact number could not be determined. Fleet and BankBoston employ a total of

about 50,000 people.

Assuming shareholders and regulators approve the deal, the merged bank would still not be big enough to join the ranks of American banking titans that have been created by a wave of mergers. With about \$178 billion in assets, the new Fleet-Boston would remain a quarter to half the size of Citigroup Inc., BankAmerica Corp., Chase Manhattan Corp. and Bank One Corp. That raises the possibility that the new bank could be involved in an-

other big merger in the next few years.

The boards of both banks approved the deal after meeting Sunday afternoon. Fleet is to exchange 1.1844 of its shares for each BankBoston share, valuing BankBoston at about \$53 a share, or about a 15 percent premium above BankBoston's closing price Friday of

\$46.9375 a share. BankBoston's shares closed at \$46.5625, off 37.5 cents, while Fleet's shares fell \$3.3125 to finish trading at

\$41,4375

BankBoston shares have been trading well below their 52-week high of \$59.0625 because of investor concern about the bank's heavy exposure to volatile economies in Brazil and Argentina. BankBoston executives have repeatedly noted that the bank turned in a record performance in Latin America last vear and said they expect to make a substantial profit in the region again this year.

Convergence Plea For Latin America

By Alan Friedman

The managing director of the International Monetary Fund on Monday called for Latin American countries to work toward

closer economic integration on the basis of the European Union model, but stopped short of recommending a single currency. In a speech opening the annual meetings of the Inter-American Development Bank in Paris, Michel Candessus told finance ministers from 46 countries that "the convergence and regional integration of your economies is essential to the strengthening of your countries and their ability to adapt to the new international financial environment."

Mr. Camdessus conceded that closer economic integration did not require the adoption of a single currency for Latin America along the lines of the introduction of the euro by 11 EU member nations. But he stressed that "regardless of the final monetary option chosen," the EU model had proven the benefits of closely aligned economic policy inside a geographic region. The IMF chief said "this same route is open to all of your countries as well."

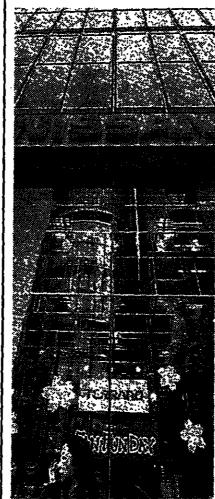
Mr. Camdessus' call for a more coordinated set of economic policies throughout Latin America was endorsed by
Enrique Iglesias, president of the IDB, by President Jacques
Chirac of France and by Lawrence Summers, the U.S. deputy
Treasury secretary. But all three also stopped short of re-

commending a single currency for the region.

Mr. Chirac said that regional integration "is the way of the future, and the only one." Mr. Summers agreed on the importance of convergence, but repeated for the second time Monday that Washington had serious reservations about Argentina's proposal that it and other countries adopt the U.S. dollar as their own currencies.

The allure of stability in this region is strong," Mr. Summers said. But he added that the idea of using the dollar

See IDB, Page 12



A pedestrian walking past the Nissan gallery showroom in Tokyo.



Renault's chairman, Louis Schweitzer, below.

over Nissan decisions, giving it ef-fective control. The two jointly develop and build "The biggest issue for Renault is, passenger cars and jointly build a

how much debt are they going to minivan in the United States. assume," said Greg Melich, an auto (Bloomberg, Re

(Bloomberg, Reuters)

Thinking Ahead /Commentary

Club Surveys the Global Economy Clearly No Cabal, the Trilateral Commission Holds a Forum of Ideas

Most of the commission

espouses an enlightened,

free-market outlook.

By Reginald Dale

By Reginald Dale

International Herald Tribme

TASHINGTON — To be accused by both the right and the left of plotting world domination is a rare, if in a way gratifying, distinction. But it is one that has been regularly conferred on the Trilateral Commission — a group of influential internationalists from North America, Europe and Japan — over the past quarter-century.

There was little disagreement about the tasks facing the two lagging regions: Asia must get rid of "crony capitalism," improve social safety nets and put into place further political reforms; Europe must become more competitive by deregulating labor markets and streamlining burdensome welfare systems.

In both cases that will mean moving closer toward American entrepreneurial capitalism — not simply because it is American but because the U.S. system has shown itself best able to cope with the demands of the modern world.

leaders than a sinister cabal attempt-

ing to subvert elected governments. And the charges against it seem even more ludicrous because the kind of enlightened, free-market outlook esponsed by most of its members is very much in the mainstream of current well-informed thinking about the global economy.

A three-day meeting of the commission in Washington that ended Monday certainly illuminated the concerns now

that ended Monday certainty infiminated the contents how occupying many top policy experts and corporate heavy-weights in the leading industrial countries.

Europeans and some Asians at the conference complained sharply that Washington increasingly expected its allies to play by the rules of the global game yet considered itself free to flout those rules to protect American interests.

As is common in such gatherings nowadays, some Europeans are seriments leveled charges of American arrogance.

As is common in such gatherings nowadays, some European participants leveled charges of American arrogance.

There were well-founded fears that economic conflicts, such as the shameful U.S.-European dispute over trade in bananas, were endangering trans-Atlantic relations and the future of the World Trade Organization. And there were widespread concerns over leadership vacuums and the growing tendency to look inward in all three regions.

While many Europeans were dismayed by the U.S. Congress's lack of interest in foreign affairs, a number of the American participants detected some recent improvement. But hardly anybody challenged a main underlying theme of the conference: that the United States had successfully adapted itself to the global economy well ahead of the other two

apted itself to the global economy well ahead of the other two areas and it was now up to Europe and Asia to follow suit.

There was little disagreement about the tasks facing the

over the past quarter-century.

The main feature of conspiracy theories, of course, is that they are usually wrong. The commission is more like an exclusive debating club for business, academic and political leaders then a society or half attention.

In American eyes, however, the Asian crisis has made the task of restructuring even more urgent. There are limits, the Americans say, to how long they can hold off a global recession single-handedly. But without structural reforms, Europe and Asia will not grow fast enough to share the burden.

There are signs of recovery in Asia, even in Japan. Europe is at least still growing, even if it looks fragile. But two big questions remain unanswered: Will the arrival of the euro push Europe to move faster toward structural reform by increasing competition, particularly in France and Germany, which need it most? And can the coming Asian recovery be sustained?

Most conference participants were inclined to believe the euro would help to promote internal reform, even if externally it would only slowly become a world currency. Some Asians, however, expressed doubts about their

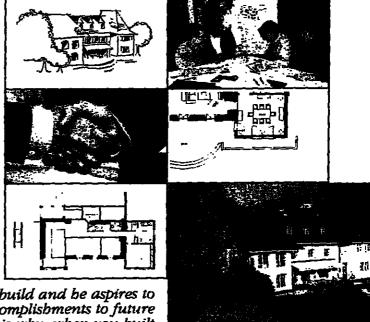
region. The question, as a prominent Asian put it, is whether the Asian recovery will be "quantitative or qualitative." If Asian countries now undertake serious reforms, they will Asian committee now index take serious rentants, they will ensure a lasting, qualitative improvement in their economies. If they sweep their problems under the carpet, once growth resumes, they may be hit by another crisis in five years — a lesson, several people suggested, that also applies to Japan. Nobody, however, even in private corners, appeared to be plotting to force these solutions on the world. If this frank

and intelligent debate was a conspiracy, one can only

E-mail address: Thinkahead@iht.com

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THE AMERICAS



Very briefly:

- •El Paso Energy Corp. agreed to buy Sonat Inc. for about \$6 billion in stock and assumed debt.
- ·Ciena Corp. agreed to buy privately held Lightera Networks Inc. and Omnia Communications Inc. for about \$980
- Boeing Co. plans to cut 6,700 more jobs from its commercial aircraft division by the end of the year, the Wall Street Journal reported. The division, currently employing 111,400 workers, should be down to 93,700 by this December, rather than the previously targeted figure of 100,400, the newspaper said. Alberta Energy Co. offered to buy Pacalta Resources Ltd.
- for 748 million Canadian dollars (\$490.8 million) in stock and debt to expand its presence in South America. · Chancellor Media Corp., soon to be the largest owner of U.S. radio stations, said it ended an agreement to buy Lin
- Hicks would take the helm as its new chief executive. • United Technologies Corp. is close to an agreement to sell its auto-parts unit to Blackstone Group for about \$2.25 billion, the Financial Times reported.

Television Corp. because investors balked, and said Thomas

Weekend Box Office

The Associated Press LOS ANGELES -- "Analyze This" dominated the U.S. box office over the weekend, with a gross of \$15.7 million. Following are the Top 10 moneymakers, based on Sat-

mindy a licker sales and estimated sales for outloay.							
1. Analyze This	Warner Bros.	\$15.7 million					
2. The Rage: Came 2	United Artists Pictures	\$7.4 million					
3. Cruel Intentions	Columbia Pictures	\$7 million					
4. The Corruptor	New Line Cinema	\$5.9 million					
5. Boby Geniuses	TriStor Pictures	\$5.8 m (Blon					
-6 The Deep End of	the Columbia Pictures	55.6 million					
Ocean							
7. Wing Commander	Twentieth Century-Fox	\$5 million					
8. The Other Sister	Touchstone Pictures	\$3.9 million					
9. Eight Milligneter	Columbia Pictures	\$3.6 million					
10. October Sky	Universal Pictures	\$3,1 million					

Guess Who's Back? Former Junk Bond King Just Won't Quit

By Andrew Pollack New York Times Service

BEVERLY HILLS, California - There, on one stage at a conference, sat some of the best economic minds in the nation - Gary Becker, Nobel laureate; Merton Miller, Nobel laureate; Douglass North, Nobel laureate; Myron S. Scholes, Nobel laureate, and Mi-

chael R. Milken, fallen financier. Having the dethroned junk bond king rub shoulders with Nobel laureates was not all that incongruous. As a brochure from the conference notes, The Wall Street Journal once described Mr. Milken as "arguably the most important financial

party, and he could crow if he prises, has filed to go public.

The Milken Institute Global 1993, he has enlisted his personal

Cancer of the Prostate, formed after cer awareness among minorities.

of it his own money, making the organization the leading private sponsor of prostate cancer research.

His Milken Family Foundation, run with his brother, Lowell, makes awards of \$25,000 each to about 150 teachers annually, part of an effort to improve education, And Mr. Milken, 52, barred from

securities trading for life, is rebuilding a business empire in education. His Knowledge Universe has quietly acquired companies in businesses ranging from day-care centers to computer training, with combined revenues of \$1.2 billion thinker of the century."

Besides, it was Mr. Milken's sulting firm called Nextera Enterlast year. One unit, a corporate con-

The economic conference was sponsored by the Milken Institute, Conference, which ended on Fri- his small research center. In adday, is part of the resurrection of dition to the Nobel laureates. Mr. Milken. Since leaving prison in speakers included Governor Gray Davis of California, Mayor Richfortune and wide nerwork of con-tacts in an effort to become an former Representative Lee H. influential force in medical re-Hamilton of Indiana. Reggie Jacksearch, education and economics.

His Association for the Cure of Mr. Milken enlisted to spread can-

dence that the conference was at the extravagant junk bond conferences. known as Predators' Balls. In a coincidence of timing, however, the conference took place the week when the largest and most cele-brated deal Mr. Milken financed, the 1989 buyout that created RJR Nabisco, was undone by RJR's de-

cision to break itself apart. Those at the conference seemed to care little about his past. Supporters said Mr. Milken was active his house, which he smells to bolin philanthropy long before he went to jail and is spending too much time and money for it to be a charade, Besides, they ask, what's wrong with trying to improve one's

image by doing good?

Mr. Milken declined to be interviewed. But in a brief conversation he discouraged any interpretation of his motives, saying of the conference, "It is what it is," and adding, "It takes time for people to not be emotional about things.

Mr. Milken served two years of a 10-year sentence for violating securities laws. After leaving prison

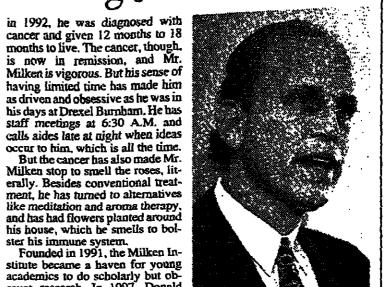
he was diagnosed with the disease. sat by Mr. Milken's side at the in 1992, he was diagnosed with has given away \$65 million, much opening dinner. cancer and given 12 months to 18 Perhaps it was only a coinci- months to live. The cancer, though,

is now in remission, and Mr. Beverly Hilton Hotel, site in the Milken is vigorous. But his sense of 1980s of several of Mr. Milken's having limited time has made him as driven and obsessive as he was in his days at Drexel Burnham. He has staff meetings at 6:30 A.M. and calls aides late at night when ideas occur to him, which is all the time. But the cancer has also made Mr. Milken stop to smell the roses, literally. Besides conventional treat-

> ster his immune system Founded in 1991, the Milken Institute became a haven for young academics to do scholarly but obscure research. In 1997, Donald Straszheim, then chief economist at Merrill Lynch, was brought in as president, expanding the staff and shifting toward work of interest to businessmen and politicians rather

than academics This second annual Global Conference is part of that effort.

However, most of the institute's young researchers were dismissed or have quit, complaining that se-



Mr. Milken has given millions of dollars for cancer research.

rious scholarly work was valued less than was preparing slides for the conference

'Mike has always been very unhappy with the institute, and it has never accomplished what he wants," a former researcher said.

Surging Yen Demand Drives Dollar Lower

NEW YORK - The dollar fell against the yen Monday as surging stocks and rising bond yields in Japan increased demand for the currency to buy Japanese securities. investors, especially in the U.S., have kept their yen positions small

FOREIGN EXCHANGE

and are now expanding them to a normal level," said Kosuke Hanao. head of foreign-exchange trading at Industrial Bank of Japan. He predicted a drop in the dollar to 115 yen by the end of the month.

The dollar fell to 117.715 yen in 4 P.M. trading from 118.700 year on Friday. The dollar also fell against the euro, which rose to \$1.0943 from \$1.0915 after a bigger-thanexpected monthly gain in German factory orders in January sparked talk that recovery might be taking hold in Europe's largest economy. trade surplus of The dollar fell to 1.4643 Swiss exchange rate.

High Low Lutes Chipe O

francs from 1,4660 francs; the pound fell to \$1.6233 from \$1.6325

As Japanese yields rise and stocks look more promising, domestic investors could bring home more funds for the bigger returns, analysts said. They are already repatriating profit from abroad to improve their books before the financial year ends on March 31. Too much strength in the yen

could scotch any inkling of recovery in Japan's economy, which is suffering its worst recession since World War II. Exports are one of the country's few sources of growth, and a strong yen makes exports more expensive on world markets. Japan's deputy finance minister, Koji Tanami, said stability in the dollar-yen rate was crucial to the economy and that Japan "will keep a close watch on the foreign-ex-

change rate." He said areas such as

domestic demand as well as the

trade surplus were affected by the

Du Pont to Buy Pioneer Hi-Bred

WILMINGTON - Du Pont Co. agreed Monday to buy the 80 percent of Pioneer Hi-Bred International Inc. that it does not already own for about \$40 a share in cash and stock to increase its agricultural business.

The transaction is valued at about \$7.7 billion based on the shares outstanding that Du Pont does not now hold, Du Pont said. Du Pont bought a 20 percent stake in Pioneer Hi-Bred, the world's largest seed-com company in 1997

Gaining control of Pioneer puts Du Pont in a position to catch up with Monsanto Co., whose Roundup herbicide has been gaining market share at the expense of Du Pont's agricul-tural products business. This clearly forms a powerhouse on the agricultural side that can compete with Monsanto." Frank Mitsch, analyst with Deutsche Bank Securities.

Acquisitions Lift Dow As It Chases Milestone

NEW YORK -- The Dow Jones industrial average resumed its advance toward the 10,000 mark on Monday as a new round of corporate mergers sent stock prices higher. The Dow Jones industrial average

closed at 9,958.77, up 82.42 points U.S. STOCKS

from its close on Friday. The index of blue-chip stocks has flirted with 10,000 in recent sessions, coming within less than 30 points of that milestone Monday, its highest surge yet, before giving ground.

"The market appears to be tip-toeing toward Dow 10,000," said Alan Ackerman, a senior vice president at Fahnestock & Co. "But we could reach that mark at any time." Broader market indexes were also higher. The Standard & Poor's 500 index gained 12.67 points to

New York Stock Exchange, the number of advancing issues outnumbered decliners by a 15-to-14 ratio.

The \$16 billion acquisition of BankBoston by Fleet Financial Group added some punch to the financial services sector. And Du Pont said it would pay \$7.7 billion to acquire the 80 percent of Pioneer Hi-Bred International that it does

not already own. BankBoston's shares closed at 46 9/16, down 1/8, while Fleet's shares fell 3 5/16 to close at 41 7/16. Du Pont shares fell 1 7/16 to 56

5/16, while Pioneer climbed 4 1/16 UAL surged 6 7/16 to 73½ after the world's largest airline company said it expected first-quarter earn-

ings to exceed expectations because of strong domestic business. Other airline stocks also rose. The benchmark 30-year Treasury bond rose 4/32 to 96 4/32. The yield 1,307.26, while the Nasday composite rose 49.92 to 2,431.45. On the cent. (AP. Bloomberg)

U. S. STOCK MARKET DIARY

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U.S. Stock Tables Explained

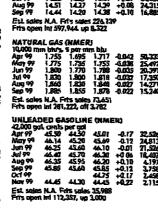
mystes are unimal. Cearly major and recent the parameter of the control of the latest fracting day. Where a split or stock dividend amounting to 25 if or more has been past, the years high-low range and dividend are shown for the new only. Unless otherwise noted, rates of dividends are annual disbursements based on

a - dividend also extra (s). b - annual rate of dividend plus stock dividend, c - liquidating dividend, cc - PE exceeds 97.cld - called, d - new yearly law, dd - less in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last escipration, g - dividend in Conadian funds, subject to 15% non-residence far. (- dividend declared after spill-up or stock dividend. j - dividend paid this year, amitted, deterred, or no action laken of latest dividend meeting, it - dividend declared or poid in his year, an accumulative issue with dividends in arrears in - annual rate, reduced on last declared or no no accumulative issue with dividends in arrears in - annual rate, reduced on last declaration, to - new issue in the past 52 weeks. The high-low range begins with the start of trading, ind - next day delivery, p - initial dividend, annual rate unknown, P/E - price-earnings ratio, p: closed-end murbal funds. F - dividend declared or pold in preceding 12 months, plus stock dividend. s - stock split, Dividend begins with date of split, sis - sales, 1 - dividend pold in stock in preceding 12 months, plus stock in preceding 12 months, plus to be not providend declared when a ex-dividend or ex-distribution date under the Bankruptcy of receivership or being perspented under the Bankruptcy Act, or securities assumed by such companies, wit-when distributed.

	INTERNATION	NAL FUTURI
	High Low Latest Chae Opint	High Low Ladest
pini	ORANGE JUICE (NCTN) 15000 lbs can's per lb. Moy 9	Jun 99 95.21 94.70 94.87 Est. soles: 49.180 Open ant.: 100.659 off 1.836
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	Mary 97 530.9 508.0 509.8 -21.2 42.700 Jul 99 525.5 510.0 52.1 -20.2 16.24.2 Sep 99 525.0 513.3 513.3 -19.2 4164 Dac 99 525.0 571.0 574.6 -17.7 8.59.6 Mar 00 523.0 515.3 515.3 -16.7 2.046 Sep 00 512.9 -16.4 65	Est, sales 8.141 Firth soles 20.890 Firth open int 74.226, pit 1,235 GERMAN MARK (CMER) 125.000 morts 3 per mark Mar 99 5603 5591 5599 41 Jun 99 5629 5593 56194
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489 293 040 108 327	/8 pcf-3100,000-pis & 32nds of 100 pcfi Mar 99 122-13 121-19 122-11 + 17 60,289 Jun 99 127-30 121-43 121-77 + 17 549,140 Sep 99 127-15 120-22 121-13 + 17 164725 Dec 99 120-25 120-25 120-29 - 17 1,322 Est. soles 200,000 Fris soles 272,242 Frit open Inf 647-184, all 5,283	2-MONTH EURO LIBOR (LIFFE outs) I milion - pris of 100 pct May 97 96-965 96-960 96 965 96 Sep 97 97-130 97-125 9- Dec 99 N.T. N.T. 96-895 +
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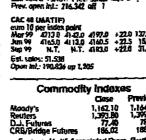
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IDB: \$9 Billion to Be Borrowed

Continued from Page 11

'would be hugely consequential" and should be 'considered in a careful and extended manner" because such a move would mean that interest rate policy would be set by Washington.

Mr. Chirac, in remarks opening the annual meetings. called for the cancellation of debts held by the poorest Latin American countries, and natural disasters. described the region's debt burden as "unbearable." Mr. Summers welcomed

the French proposal as "one of the sorts of technical sug-gestions" that could be discussed. But he stressed that countries seeking debt relief "making efforts to strengthen markets. Reuters reported and reform their economies." from Zurich.

year and then come back with solid growth in 2000.

global crisis affecting emerg-ing markets "has had much for the first time the best inthan on other countries." an on other countries." currently available on external Mr. Camdessus said, "We debt," the organizations said.

297.25 289.70

all know that 1999 will be an exceptionally difficult year," but he added that Brazil and other countries had demonstrated a "capacity to respond" to the turmoil.

The IDB itself announced plans to borrow a record \$9 billion in 1999, more than 50 percent above its 1998 level, in order to bolster its ability to aid nations in the region suffering from the global crisis and from

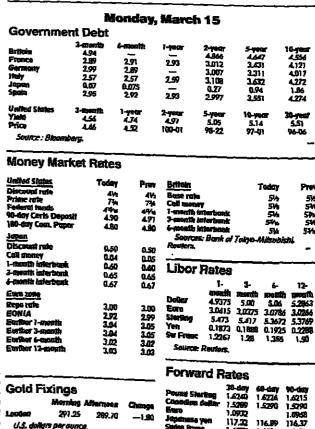
■ Debt Report Published

The world's top international financial organizations published for the first time joint data on the debt of 176 developing countries, marking a new effort to provide needed to prove they were more transparency on global

In other developments at the IDB meeting, there was a Settlements, the International tone of cautious optimism Monetary Fund, the Organiabout Latin America's ability zation for Economic Cooperto withstand recession this ation and Development and the World Bank joined forces to combine data they previ-Mr. Iglesias said that the ously published separately.
The data "bring together

less impact on Latin America ternational comparative data

INTEREST RATES



EUROPE

Eurotunnel Posts a Profit

Special Gain Lifts Results After Operating Loss

LONDON — Eurotunnel, operator of the rail tunnel under the English Channel, said Monday it posted its first full-year profit in 1998, thanks to one-time gains from a debt restructuring and a travalera' rock of charges alcohol and gains from a debt restructuring and a leap in revenue as it recovered from a fire in the tunnel two years earlier.

Net profit in 1998 was £64 million

(\$104.5 million), after an exceptional gain of £279 million from the restructuring of £9 billion of debt. Stripping out the one-time gain, the company, which went public in 1987, had a loss of £215 million, which compared with a loss of £611 million in 1997.

Eurotunnel's chairman, Patrick Ponsolle, told reporters in Paris that the company was on track to meet 1999 forecasts of £205 million to £210 million of op-erating profit, compared with £184 mil-

lion in 1998 and £57 million in 1997. We are confident that we can meet the challenges of 1999, whatever the decision of the governments on duty-free," he said, referring to the expected end of tax-free cross-Channel retail sales

travelers' perk of cheaper alcohol and cigarettes, if only for another 30 months.

The company warned that ticket prices would have to rise to make up for lost income if duty-free were scrapped Channel ferry workers on the French

to 101.5 pence in London, while Euro-tunnel SA shares traded in Paris closed at

Burotunnel believes the adverse impact from fare increases would be limited and temporary. Retail sales, which

Total revenue rose by 26 percent, to £666 million, but revenue had suffered severely in the previous year due to the tunnel fire which took place in Novem-

DUTY: Shopping Perk Nears Demise in EU

Continued from Page 11

member governments to decide what further measures might be necessary, including special aid for ports affected by high job losses.

The issue, which Prime Minister Tony Blair has promoted as a populist cause in Britain, could crop up again at an EU summit meeting in Berlin this month. But since the decision to abolish dutyfree was taken unanimously, Mr. Blair would need to get a unanimous vote to undo the measure, and given Denmark's strong stand, it seemed unlikely he would be able to achieve this, officials said.

A Danish spokesman said there was no question of his government backing down. "We are consistent," he said.

The summit meeting also will have to deal with an accord reached by agriculture ministers on the future funding of the EU's farm support budget.

The French finance minister, Dominique Strauss-Kahn, said he and his colleagues were optimistic because the farm ministers had actually managed to reach an agreement, but pessimistic over the high cost of the deal.

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side, protesting against plans to end duty-free, blocked traffic through the tunnel on Monday.

Euronamel PLC shares rose 3 pence

1.49 euros (\$1.63), down 6 cents.

include duty-free revenues, made up a third of total revenue in 1998.

budget should not exceed its current level of 40.5 billion euros a year. The

agriculture ministers overshot that mark by several billion euros. The French minister said the resig-

nation of the German finance minister, Oskar Lafontaine, had not altered the European Union's quest for growth and jobs. Mr. Lafontaine, who resigned last week, was an outspoken proponent of lower interest rates, arguing that they would spur job creation.

However, the ministers also stressed "the importance of moderate wage developments and structural policies" in the fight against unemployment, which appeared to be a support for Chancellor Gerhard Schroeder's plan to reverse Mr. Lafontaine's prescription of high business taxes and above-inflation pay in-

The ministers said the EU was well placed to pull out of its economic slowdown in the second half of this year, but they said the German economy continued to be vulnerable to global financial turmoil. "We are convinced now, which was not the case a month ago, that the slowdown in growth is

Italia to Cut Staff to Fight Olivetti Bid

Compiled by Our Staff From I

ROME - Telecom Italia said Monday that it planned to cut its staff as part of a defense against a \$58 billion hostile takeover bid by Olivetti SpA.

But the company would not say whether the cuts would be as sub-stantial as the 40,000 layoffs that the Financial Times reported were

planned. "Telecom has already begun to talk with unions over the issue, but we cannot absolutely confirm the 40,000 figure," a spokesman for the telecommunications concern said. According to sources familiar

with the matter, Telecom Italia planned to achieve about 25,000 job cuts by selling noncore units such as the cable maker Sirti SpA and about half that amount through staff reductions at other units that would remain within Telecom Italia. Franco Bernabe, the chief exec-

utive of Telecom Italia, told investors Friday that there was "willingness" on the part of Telecom Italia's labor unions to consider a "rationalization" plan as long as it was balanced by growth in new

The company has 124,000 em-

Telecom Italia's previous industrial plan, drafted last autumn by its ousted chairman, Gian Mario Rossignolo, called for 8,000 job cuts over three years.

Mr. Bernabe plans a series of meetings this week with top shareholders, such as Deutsche Bank AG, to persuade them that they will get a greater return on their investment if they turn down the Olivetti

Mr. Bernabe is competing for investor support with Olivetti's chief executive, Roberto Colaninno, who is scheduled this week to unveil detailed plans of what Olivetti will do with Italy's largest phone company if shareholders accept the

takeover bid. Olivetti also plans a series of meetings with top investors.
(Reuters, Bloomberg)

Bank Breaks Ranks On Russian Debt Plan

By Alan Cowell
New York Times Service

LONDON — A group of Western banks holding \$15 billion in defaulted shortterm Russian debt seemed headed for yet deeper disarray Monday after the largest creditor, Credit Suisse First Boston, broke the group's already fractured ranks to announce plans for a new ruble-based investment fund designed to

recover debt. The Credit Suisse proposal represented the second time in recent weeks that members ranks to pursue plans to recover some of the Russian

After a meeting in London on Monday, bankers said there had been complaints from other banks in the group that Credit Suisse had, in the words of a banker who spoke on condition that he not be named, "cut a side deal" with the Russians without the knowledge of the other members of out a chair. the creditors' committee.

The same charges were leveled last month at Deutsche Bank AG and Chase Manhattan, which accepted Russian terms for debt restructuring, said to be worth about five cents on the dollar, fraught with risk and one when the others did not and could undermine the other.

before a final agreement could be reached on the de-tails of the Russian terms. Credit Suisse said Monday

that its seven-year "Nikitsky Recovery Fund" would provide an alternative to the Russian restructuring terms, enabling creditors to invest in infrastructure projects at the face value of the debt. But participants at the Monday meeting said Credit Suisse First Boston officials had been reluctant to say whether the Russian Central Bank had

agreed to the terms. Credit Suisse First Boston of a 19-member committee of said it would provide man-creditor banks have broken agement and a \$15 million loan to the fund. But other bankers said Credit Suisse also planned to charge a management fee of 2 percent of

net asset value. Deutsche Bank had been the head of the 19-bank creditor committee. But in a debacle two weeks ago over Deutsche Bank's acceptance of the Russian terms, the group agreed to proceed with-

The development Monday left Russia's creditor banks facing two clear options: to accept Russia's terms or to sign up for the Credit Suisse First Boston fund. But, bankers said, both were

Kuoni to Buy U.K. Firm

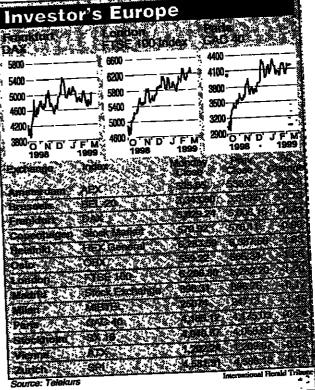
LONDON - Kuoni Reis- Switzerland. en Holding AG, a Swiss tour operator, agreed Monday to buy First Choice Holidays PLC of Britain, creating the second-largest travel company in Europe.

Under the terms of the accord, Kuoni shareholders will harder bargains for hotel own 53 percent of the en- rooms. larged company and First Choice shareholders 47 percent. The new company, Kuoni Holdings PLC, will be

listings in London

The financial details of the accord were not disclosed. The move is the latest in a series of takeovers among European tour operators as they seek to make better use of charter aircraft and drive

Kuoni shares were unchanged at 5,500 Swiss francs while (\$3,764), Choice's shares fell 14.50 based in Britain, with stock pence to 173 pence (\$2.83).



Very briefly:

•VEBA AG of Germany sold its 10.2 percent stake in the British phone company Cable & Wireless PLC.

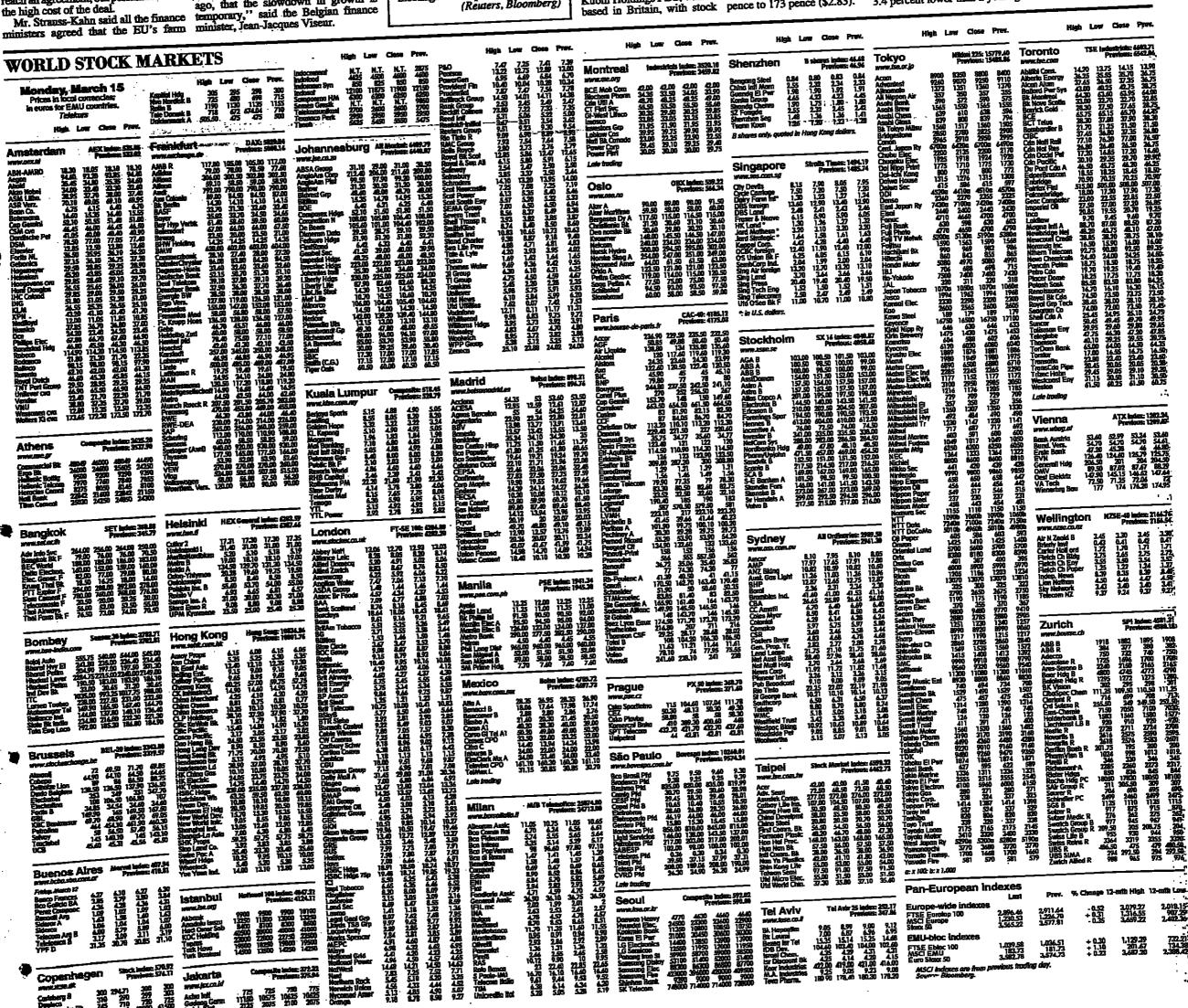
•BASF AG predicted earnings would fall this year due to declining prices for chemicals. The company also said it planned to buy rivals' businesses and cut costs to raise returns.

• Britain will offer Bayerische Motoren Werke AG an aid package to try to persuade the German carmaker to maintain production of the troubled Rover car in Britain.

The European Commission will investigate the use by Air France of the travel reservation system Amadeus Global Travel Distribution SA, at the request of the U.S. Department of Justice. The commission fears Amadeus could discriminate against the AMR Corp. system Sabre Group

• Lloyd's of London, the world's largest insurance market, said British and U.S. fraud investigators had uncovered a plot by U.S. organized-crime syndicates to infiltrate its market. It is not anticipated there will be any losses sustained arising from the fraud, which has been stopped at an early stage," said David Gittings, a Lloyd's director.

• Bahrain's stock exchange is to be opened to nonresident foreigners for the first time, in a bid to increase liquidity Previously only nationals or resident foreigners of the Gulf Cooperation Council states — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates - could invest • Ikea AB, the Swedish furniture retailer, said a dispute over import duties has delayed the opening of its first Russian store and threatened further investment by the company in Russia. •German manufacturing orders rose by 1.8 percent from December to January, the first rise in six months, but were still Bloomberg, AFP, Reuters 3.4 percent lower than a year ago.



INTERNATIONAL HERALD TRIBUNE, TUESDAY, MARCH 16, 1999 NASDAQ Monday's 4 P.M. The 1,000 most traded National Market securities Constitution of the consti **AMEX** Monday's 4 P.M. Close The 150 most traded stocks of the day, up to the closing on Wall Street. Metronich Missinchi Missin 与如此并在有的 - 一時你們有法性如何 - 是明 - 是我

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NYSE Monday's 3:45 P.M.

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المكذات الأصل

ASIA/PACIFIC

off 24.5 percent to 2.404 trillion year.

The current-account balance is a broad measure that reflects the flow of merchandise

and services as well as investment income and

other monetary transfers. The government announced last week that Japan's economy

was still shrinking, and it has been contracting for a record five consecutive quarters.

exports, the economic situation both here

and abroad is weak," Mr. Fujii said, adding

that the yen's strength was hurting Japanese

"Also considering the double-digit fall in

Japan's Trade Surplus in January: Up 72% and Growing

billion yen, in January, with exports down exporters. The ministry said the fall in crude-10.9 percent to 3.331 trillion yen and imports oil prices was behind the surging trade sur-

plus. In January the average price of crude oil was just \$11.35 a barrel, down 38 percent

Jamary's figures will probably put Tokyo under yet more pressure from Washington to spur its economy, Mr. Puji said.

"Japan's surplus is nothing new to the

United States, but it will give them a perfect

chance to demand Japan increase its do-mestic demand, particularly as the presi-dential election nears," Mr. Fujii said, re-

ferring to the U.S. voting next year.

from last year, officials said.

record \$233.4 billion deficit in its current account in 1998, a 50 percent jump from a \$155.2 billion shortfall in 1997.

more than 40 trillion yen last year, the Jap-

anese economy has shown only tentative

"The government's spending efforts cen-ter on public works, and given the severity of

the economic situation right now, it won't

lead to a boost in domestic demand," said

Satoru Ogasawara, an economist at Credit Suisse First Boston Inc. (AFP, Reuters)

(AFP, Reuters)

signs of turning around.

Despite two stimulus packages valued at

INTERNATIONAL HERALD TRIBUNE, TUESDAY, MARCH 16, 1999



Manila Officials Get Airline's Survival Plan

MANILA — Philippine Airlines Inc., battling to keep Asia's oldest carrier flying, said Monday it had given regulators a revised rehabilitation plan that had the support of two-thirds of its creditors.

The unemployment rate rose steadily in 1998 as the city's economy contracted by a record 5.1 percent. This year economists extended the support of two-thirds of its creditors. two-thirds of its creditors.

The new plan calls for a \$200 million cash injection that would give investors at least 90 percent ownership of the debt-strapped airline. As much as 60 percent of the fresh equity is to come from new financial investors, whom it did not identify.

The rehabilitation plan also calls for the sale of noncore assets including its maintenance and engineering division and the reduction of its fleet to 22 planes from 50. The airline plans to service 12 international and 17 domestic routes.

Perfecto Yasay Jr., the chairman of the Securities and Exchange Commission, said regulators would decide on the plan's viability by April 15.

the airline, which ceased operations for several weeks last year because of labor unrest and massive losses. The losses, caused in part by Asia's financial crisis, have hampered its ability to pay off more than \$2.2 billion in debts.

Mr. Yasay said the main objective of the new plan, submitted 58 years to the day after Philippine Air's first flight, was to ensure the airline's survival, but it must also address the concerns of creditors.

Analysts said the airline was unlikely to survive unless if found a foreign partner. Cathay Pacific Airways Ltd. of Hong. Corp Kong had been negotiating a stake but pulled out of talks in December, citing irreconcilable differences over management control and valuation of the carrier.

Philippine Air said last month its net loss in the nine months that ended Dec. 31 more than doubled, to 9.98 billion pesos (\$256.5 million) from 4.76 billion pesos a year earlier. (Bloomberg, Reuters, AP)

Makes Hong Kong Gloomy HONG KONG — Unemployment climbed

TOKYO - The current-account surplus

soared 72.2 percent in January from a year

earlier as imports plunged and oil prices tumbled, the Finance Ministry said Monday. Japan's surplus hit 807.5 billion yen (\$6.8 billion) in the month and was likely to keep

tising, a ministry spokesman said.
"The January current-account surplus showed the continued weakness of domestic

demand amid the recession," said Hidehiko

Funi senior economist at the Japan Research

Institute. Japan's surplus in merchandise

trade alone widened 67 percent, to 927.3

The report also continued to offer a gloomy

continue to be slack in the early part of the

Kwong-yiu, a government economist.

such figures in 1981.

percent or 7 percent.

A slowdown in the growth of unemployment in recent months proved only temporary, said Dong Tao, chief regional economist at Credit Suisse First Boston Ltd., "as serviceto 6 percent in the three months through February, the government said Monday, the highest rate since the city began releasing industry businesses tried to keep going until the lunar new year, squeezing out every last dollar before closing or downsizing," outlook. "As overall economic activity might (AP, Bloomberg)

Cinema Blackout: A Protest Move

year, the unemployment rate was likely to remain high in the near term," said Tang Faced with a flood of pirated movies, Hong Kong's approximately 75 cinemas will close Wednesday to protest their losses of money and jobs, The Associated Press reported.

The theaters said the one-day action would ost them 1.5 million Hong Kong dollars Mr. Tang said many layoffs had occurred around the time of the Chinese New Year in (\$192,000) but said they hoped that would be offset by increasing awareness of piracy's mid-February, when companies traditionally costs. Actors, directors, singers and other review their books and lay off some workers copyright-based industry members will join the protest by marching to government offices after giving them year-end bonuses. Most of to demand action against violations of inthe newly unemployed were in the construction or restaurant industries, while joblessness tellectual-property rights.

lan's viability by April 15. Filing the rehabilitation plan is an important milestone for Korean Firms Urged to Cut Debt

SEOUL — The central bank urged the government Monday to keep up its pressure on companies to sell off their improfitable assets. The country's corporate debt is now almost twice the size of its economy, it re-

Corporate debt totaled 814.9 trillion won (\$660.9 billion) at the end of September, compared with the country's gross national product of 414 trillion won, the Bank of Korea said. GNP is the total output of goods and

consolidate their core operations and sell unprofitable units. But the chaebol have had trouble com-

pleting planned deals. Ssangyong Group said last week that it and SK Group had reached an agreement in principle to transfer Ssangyong's 28.41 percent stake in Ssangyong oil Refining Co. to SK. But Ssangyong said Monday that Sandi Ara-tics Oil Co.

action to collapse. services in the economy.

On Monday, Hyundai Oil Refinery Co.

The government has been pushing the country's big conglomerates, or chaebol, to

bian Oil Co., a major shareholder, has not endorsed the sale. That could cause the trans-

The Democratic Republic of Congo Ministry of Finance and Budget

TENDER FOR THE SELECTION OF A PRE-SHIPMENT INSPECTION COMPANY

The Government of the Democratic Republic of Congo invites sealed proposals from international reputable companies for the provision of PSI services covering imports.

Interested companies will be required to submit their bid in one original and five copies to the Conseil des Adjudications du Gouvernment clo Direction des Marches Publics; avenue de l'Ouganda no. 4204, Gombe, Kinshasa in two separate sealed envelopes:

 Envelope "A" will contain technical data to be used for pre-qualification Envelope "B" will contain price proposals,

Tenders must be received at the above address before 5 May 1999 at 10:00 am, when public opening will take place.

Proposals should remain valid up to 5 July 1999. They must contain a Bid bond worth US Dollars \$50,000 or its equivalent in convertible currency, established in the name of the Ministry of Finance and Budget. The Bid bond is liable to forfeiture, should the Bidder chose to withdraw his/her bid between the time of the public bids opening and the expiry of the validity period, or fail to accept and sign the contract established in terms with his/her proposal by the Ministry of Finance and Budget.

Interested Companies can obtain a copy of the Request for Proposals, through a formal request on Company stationary signed by an authorized representative, from:

Conseil des Adjudications du Gouvernement c/o Direction des Marches Publics at the above address, upon payment of a non-refundable amount in Congolese Francs equivalent to US Dollars \$10,000, payable into the account of the Accountant, avenue des Huilenes no. 4404, (Cabinet du Ministre des Postes, Telephones et Telecommunications), Gombe, Kinshasa.

For further information please contact the Office Congolais de Controle, 98 Av. du Port Kinshasa/Gombe, Fax:243-1221974.

SIA to Set Bid for Thai

SINGAPORE -- Singapore Airlines Ltd. said Monday it IIII SIISA AU TOF 2 S International PCL, shrugging off reports that Thailand might

The Thai government owns 90 percent of Thai Airways, and Thai law may rule out SIA's bid as a competitive threat.
"We are still going to make a proposal," said Cheong
Choong Kong, chief executive of Singapore Airlines; known by the initials SIA.

Singapore Airlines said last April that it was looking to buy a 25 percent stake in Thai Airways. With cash reserves of 1.5 billion (\$865.6 million) to 2 billion Singapore dollars, SIA could tighten its hold on Southeast Asian air traffic with a Thai Airways stake.

Singapore's national carrier has been seeking stakes in other airlines, including China Airlines and South African Airways, as its Asian business has slowed. Its deal with China Airlines was called off in January. It has submitted a bid, also with Lufthausa as its partner, for South African Airways.

Mr. Cheong also said SIA was considering joining Star Alliance, the airline group that includes Lufthansa, Thai Airways and United Airlines, among others.

Very briefly:

· Hutchison Whampon Ltd. of Hong Kong said it had no plans to seek a New York listing, but it declined to comment on market talk that it was raising cash for a major acquisition. Hutchison shares rose 2.50 Hong Kong dollars (32 cents) to 63 dollars on the reports.

• Malaysia's 1998 property sales posted their worst slide in five years, falling 48 percent from a year ago to 27.9 billion ringgit (\$7.34 billion), as business closures and fears of unemployment dampened demand.

• Thailand's revised agreement with the International Monetary Fund will be ready for cabinet approval March 23 and will include new stimulus measures to shore up the sagging

 Malaysia's inflation rate rose 3.8 percent year-on-year in February, down from a rate of 5.2 percent in January. • Cathay Pacific Airways, a week after posting its first net loss in 35 years, plans to cut the pay of about 600 pilots by about 8 percent this year.

Reuters, Bloomberg, APP

PICTET GIM MANAGEMENT

(Luxembourg) S.A. Société Anonyme

R.C. Luxembourg No. 58 589 Registered Office 1, Boulevard Royal L-2449 Luxembourg Notice of Liquidation of Gun Fund

Unitholders are informed that Gim Fund has been put into liquidation as of 12th March 1999. The issuance and redemption of Units as well as calculation of the net asset value per Unit, have been suspended with effect as from 15th February 1999.

Following the liquidation procedure, not liquidation proceeds ha following the inquination procedure, let inquisation proceeds have been paid to the Unitholders in proportion to the number of Units held by each of them. Any amounts which cannot be distributed to Unitholders will be deposited in escrow with the Caisse des Consignations in Luxembourg.

The accounts and the records of Gim Fund will be deposited and kept for the period of five years at the offices of Banque Picset (Luxembourg) S.A. 1, Boulevard Royal, L. 2442 Luxembourg.

The Board of Directors of Pictet Gim Management (Luxembourg) S.A.

CAPITAL INTERNATIONAL FUND Société d'Investissement à Capital Variable

Registered Office: 5, rue Plaetis, L-2338 Luxembourg R.C. Luxembourg B 8833

Shareholders are invited to attend the

ANNUAL GENERAL MEETING OF SHAREHOLDERS

which will be held at 5, rue Plaetis, L-2338 Luxembourg on March 30, 1999 at 11.00 am:

- Approval of the Report of the Board of Directors and of the
- Approval of the Financial Statements for the facal year ended
- Decision on allocation of net profits. 4. Discharge of the Directors.
- 5. Election of the Directors and re-appointment of the Auditor.
- 6. Miscellaneous.

All Shareholders are entitled to attend and vote and are entitled As snarenowers are entitled to appoint proxies to attend and vote instead of them. A proxy need not be a member of the Company. To be valid a Form of Proxy must be lodged with the Company at its registered office, 5, rue Plaetis, L-2338 Luxembourg, at least 48 hours before the time appointed for holding the meeting.

The Board of Directors

THE GLOBAL LAW FIRM OF BAKER & MCKENZIE

is pleased to announce that is has become the first international law firm to be licensed by the Ministry of Justice to practice law in

AZERBAIJAN

Our office is located at: The Landmark Building 96 Nizami Street, 6th floor, Baku 370010, Azerbaijan.

Telephone (99-412) 97-18-01 (international) ot (8-8922) 98-24-80 (within CIS) <u>Facsimile</u> (99-412) 99-18-05 (international)

Our office will provide legal representation to clients in all principal areas of law associated with foreign investment in Azerbaijan.

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The CIS practice of Baker & McKenzie

MOSCOW (1989) 22/25 B. Strochenovsky Pez. Moscow 113054 Russia ei (7-095) 230-6036 Fax: (7-095) 230-6047

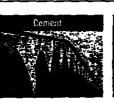
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Kyiv 252030 Ukraine æ (380-44) 247-7070 Fax: (380-44) 247-7071

ST. PETERSBURG (1992) 57 Boishaya Mroskaya St. Petersburg 190000 Russia Phone: (7-812) 325-8308 Fax: (7-812) 325-6013 **ALMATY (1995)**

155 Abai Street - 8th floor Almaty 480009 Kazakhatan Phone: (7-3272) 50-99-45 Fac: (7-3272) 50-99-75

www.bakerinfo.com











LAFARGE: A sharp rise in income in 1998

World leader in construction materials, the Lafarge Group holds top-ranking positions in each of its divisions: Cement, Aggregates & Concrete, Roofing, Gypsum and Specialty Products.

Active in 65 countries. Lafarge employs 65,500 people, generating sales of 9.8 billion euros (64.3 billion French francs). Through its commitment to the development of materials and the advancement of the construction industry, Latarge brings greater safety, comfort and aesthetic appeal to our everyday lives.

+ 53 % 🚉

+ 63 % 🚣

+ 26 % __-Net income, Group share

Internet: http://www.lafarge.com

The Board of Directors of Lafarge met on Tuesday, March 9, 1999 under the chairmanship of Bertrand COLLOMB, to close the accounts for the 1998 financial year.

Sales rose by 53% in 1998 to FRF 64.3 billion (9,802 million euros), particularly as a result of the integration of Redland operations.

Net operating income stood at FRF 9.164 million, or 1,397 million euros, an increase of 63%. This improvement, which was felt in all the Group's business areas, chiefly reflects: ■a higher level of business in Western Europe (except for Germany) and Latin America.

■an excellent economic climate in North America. ■a favorable context for prices.

Net income, Group share totaled FRF 3,059 million (466 million euros), a rise of 26%. Net earnings per share were up 19% at FRF 32.30, or 4.93 euros.

At the Annual General Meeting of Shareholders on May 27, an increase in dividend from FRF 11 to FRF 12 (1.83 euros) per share (to which the French tax credit should be added) will be proposed. Shareholders will have the right to take their dividend in cash or in the form of shares.

For the first time, shareholders who have retained registered shares for two years will be entitled to have their dividend raised by 10%.

SUCCESSFUL INTEGRATION OF REDLAND

Apart from the strong operating results it posted, another highlight of the year for Lafarge was the successful integration of Redland (FRF 20 billion, or 3 billion euros, of sales; over 18,000 employees). In a period of six months, the Group determined strategies and action programs and put Lafarge organizations and policies into place.

As forecast, the acquisition of Redland has already created a highly positive impact on Group results.

PROMISING STRATEGIC DEVELOPMENTS

Looking beyond Redland, Lafarge continued to strengthen its worldwide positions in 1998. Taking advantage of the Asian crisis in particular, the Group was able to seize new opportunities for development, carrying out about FRF 12.2 billion (1.9 billion euros) of investments throughout the financial year.

In each of its divisions, Lafarge reinforced . its positions:

■Cement: acquisitions in Honduras, South Africa and the Philippines, interests purchased in Italy, the United States and Jordan, and acquisition of several industrial assets in Germany. Aggregates & Concrete: acquisitions in

North America and South Africa, jointventure agreement in China. ■ Roofing: purchase of minority interests

in Brazil, South Africa and Malaysia. Gypsum: acquisitions in South Korea, where Lafarge has become leader on the gypsum wallboard market. ■ Specialty Products: in the United

States, developments in lime and in the road marking sector.

PROSPECTS FOR 1999

In spite of the uncertainties affecting the global financial and economic situation, 1999 has begun auspiciously. Trends are positive in Europe and North America, where three-quarters of the Group's business is located.

Following the substantial developments occurring in 1998, the Group (which has now implemented a new organization with five divisions: Cement, Aggregates & Concrete, Roofing, Gypsum and Specialty Products) will concentrate on integrating its acquisitions, lowering its costs and boosting its performance.

Chairman and Chief Executive Bertrand COLLOMB commented: "1998 was a very good year for Latarge and 1999 should prove to be another year of progress."



Clorox Is Cleaning Up With Fresher Ideas

But New Acquisition Poses a Major Test

By Dana Canedy New York Times Service

OAKLAND, California - Three years ago, when consumers complained about the smell of its bleach. Clorox Co. cut the chlorine odor by adding floral scents -- and helped increase its share of the American bleach market to a remarkable 60 percent.

Last year, after a competitor introduced a cleaning spray intended for daily use in the shower.

Clorox unabashedly copied it — but used a clear bottle with pastel labeling, a contrast to the rival's industrial-looking container.

More appealing packaging, the company figured, would prompt consumers to leave the bottle near the shower instead of under the sink, increasing the likelihood that they would use it each day. The product, Tilex Fresh Shower, quickly

became a big seller.
Clorox's stock has shot up 372 percent in the past five years, and 45 percent in the past year alone. That has far outpaced the market, outgunned industry giants such as Procter & Gamble Go. and Colgate-Palmolive Co. and proven to stock snobs that there is gold in the most everyday goods. And this year? Well, it's time for Clorox to prove

itself all over again. In acquiring First Brands Corp. of Danbury, Connecticut — which makes familiar household products such as Glad bags, Scoop Away cat-box filler and the motor-oil additive STP — Clorox has bought a company that increases its size by almost 50 percent but that resembles the vapid Clorox that G. Craig Sullivan took over seven years ago.

Back then, Clorox, which competitors had mostly dismissed as knowing how to sell bleach but not much else, was stuck with a complacent management and a tired product line. Its profits were falling, and its stockholders were skittish.

Mr. Sullivan, who studied accounting, began his career by selling cake mix in Brooklyn for P&G and investors are wondering whether Clorox has overwas hardly a golden boy. His own mother once extended itself. The deal, the largest in Clorox's 86suggested he might not make it in sales and urged him to consider a new line of work. Investors reacted to his appointment by knocking the stock down 5 percent in a single day.

They soon had a change of heart. First, Mr. Sullivan cut managers whom he judged to be out of step with the new marching orders. "When you've got 25 or 30 years of white-rat training, sometimes it's hard to change, so we just decided for them that maybe they ought to do something else," he said.

Half the management team left.



in line with Clorox's core business. And he stepped up marketing for existing brands such as Pine-Sol and Formula 409 cleansers.

The results have made the one-time Wall Street wallflower the life of the party: from the time that Mr. Sullivan took over through the end of last year, Clorox's revenue rose 76 percent, to \$2.7 billion. and its profit shot up 200 percent, to \$298 million. The company's market capitalization in that time rose from \$2.5 billion to \$10 billion. Clorox shares closed at \$125.50 on Friday on the New York Stock

But with the purchase of First Brands for \$2 billion — a deal that closed in January — some year history, increases its revenue to a projected \$3.95 billion.

Like the Clorox of old, First Brands has struggled with a number of stalled or fading products. Slowing retail sales resulted in disappointing earnings for the company last year.

Mr. Sullivan says he has the formula to keep things going, and it's pretty simple: Execute. Freshen old brands, extend product lines, improve advertising, squeeze costs.

He intends to maximize the First Brands in-Then he dumped unprofitable operations such as vestment, for example, by steadily adding new

bottled water and restaurant equipment, bought grime-fighting brands such as Lestoil, a cleaning product, and S.O.S. scrubbing pads that were more brand name to entirely different products that will probably hit store shelves next year. He declined to discuss details on that.

Mr. Sullivan has been there before, tinkering with even well-respected brands to unleash their

When the company bought Armor All Products Corp. two years ago, it saw unrealized promise in a product called Flash Black, a clear liquid in a black bottle that is used to shine tires.

To emphasize the gloss potential that Flash Black was supposed to deliver. Clorox repackaged it in a clear bottle and changed the name to Extreme Tire Shine. It was minor tweaking, but it "es-sentially doubled the business," said Derrick Gordon, a group marketing manager in Clorox's auto products division.

in mind. They use hip music and a sporty car to depict

what looks like a party at a car wash.

Using the tag line "stay a little longer," the commercials feature a model with a come-hither pout who borrows the sports car's rear-view mirror to apply red lipstick.



Clorox, which also makes insecticides, rears bugs for research. Vincent Alvarez, right, the director, has a cockroach under study.

scrubbing the tires, the implication seems to be that Armor All will not only produce a lasting shine; it

just might help you find a date.

About 80 percent of Clorox's revenue and profit come from the United States; in contrast, about 80 percent of Colgate-Palmolive's business is over-

Clorox is seeking to increase its relatively tiny international presence, but with the economic outlook uncertain in much of the world, that effort carries its own risks.

Moreover, at 38 times forward earnings, Clorox's stock is trading at a multiple more typical of technology stocks such as Intel Corp. or Microsoft Corp. than of a maker of toilet cleansers.

Some investors, while still bullish on Clorox's management and strategy, have begun to dump the stock because the price has become so high. Stephen Yacktman, vice president of Yacktman One of Clorox's ad agencies, DDB Needham
San Francisco, came up with fresh ads. Spots for a
car wax that the company is introducing under the
Armor All name clearly have youthful testosterone

Stephan 1 ackinian, vice president of 1 ackinian, vic measure now at 20, he said, "the big upside from that is not going to be there." He is still a Clorox fan but has sold some of his shares.

Even so, many analysts remain optimistic about the stock's growth potential. "This company finds new niches and finds that consumer whose need is not being met," said Carole Warner of Prudential Since it is obvious that she has no intention of Securities. "They own the 'cleaning aisle.'"

Weak Sales Delay IPO By Dragon

By Diana B. Henriques
New York Times Service

Willia B.

NEW YORK - Dragon Systems, a company that makes voicerecognition software, has postponed its stock-market debut until at least next month after unexpec-tedly anemic sales in the fourth

quarter of 1998.

Dragon's Naturally Speaking software has made the small company a niche leader, even against competition from such rivals as In-

ternational Business Machines Corp.
and Lernout & Hauspie Speech
Products NV, a Belgian company.
Dragon Software, which is based
in Newton, Massachusetts, had experted to sell a miscein stake to the pected to sell a minority stake to the public this week. Potential investors had been relying on its financial statements for the first nine months of 1998, although Dragon warned that the fourth-quarter selling sea-

son was its most important. When full-year numbers were tallied, they showed that sales had inched up only slightly in the fourth quarter, to \$21.8 million from \$20.7 million in the third quarter. By contrast, revenue in the fourth quarter of 1997 was more than twice that for

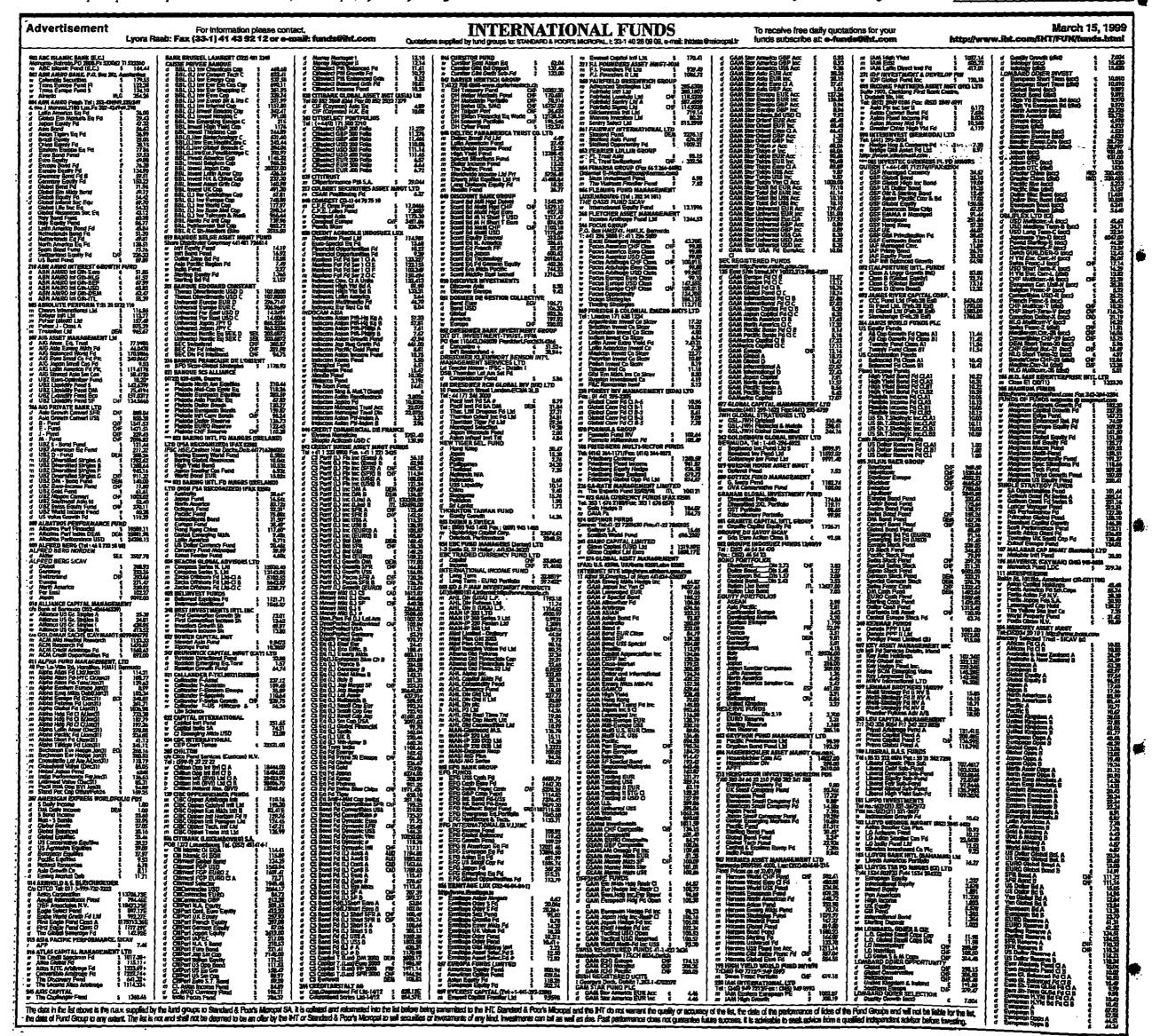
the third quarter of that year.

Net income in the fourth quarter dropped to \$1.6 million from \$7.6 million in the third quarter.

Revenue for the year was \$71.4 million, compared with 1997 reveme of \$26.8 million. And after several years of red ink, Dragon posted a profit of \$10.3 million, reversing a loss of \$5.3 million for 1997.

Nevertheless, when surprises crop up, underwriters typically seek more time to explain them to potential institutional investors.

A Dragon representative refused to comment on the disappointing quarter, citing Securities and Exchange Commission restrictions in the face of a pending stock offering.



INTERNATIONAL HERALD TRIBUNE, TUESDAY, MARCH 16, 1999

Australia's Blueprint Could Help the Rest of Asia Build a Recovery

INTERNATIONAL INVESTING

By Michael Richardson International Herold Tribane

SYDNEY — A decade ago, Australia was dismissed by some Asian efficials as the laggard of the Asia-Pacific region as its economy threatened to sink in a morass of crony capitalist deals and cor-

porate takeovers gone wrong.
Instead, the leasons learned have helped insulate Australia from East Asia's financial turnoil, foreign officials and analysts say, and the prescriptions helped point Australia to the reform path the region must follow if it is

Buoyed by low inflation and interest rates and strong consumer demand, the third-largest economy in the Western Pacific after Japan and China has thrived amid the Asian crisis.

Australia's gross domestic product its total output of goods and services rose 4.7 percent in 1998, the fastest expansion since 1994, official figures show. Reflecting that optimism, Australian stocks closed Monday at a record level for the third straight trading day. The benchmark All Ordinaries Index rose nearly 1 percent, to 2,989.5 points.

A year ago, many economists expec ted that recession in East Asia, which absorbed two-thirds of Australia's exports in 1997, would hit Australia hard, especially because most of its exports

There are weak spots in the economy. including a gaping trade deficit, however, manufacturing and business confidence is generally high, and un-employment has fallen to 7.5 percent of the work force, its lowest in eight years,

amid expectations of continued growth. "Australia has come through the Asian economic crisis in much better shape than was generally expected," said Don Stammer, director of investment

strategy at Deutsche Australia Ltd. Despite adverse external circumstances, Anstralia has been able to sustain and corporate raiders. its growth because of a successful drive to diversify exports away from Asia to couraged Australian companies from more buoyant areas; unexpectedly strong borrowing heavily in foreign currencies, domestic demand in the Australian economy itself, and the stimulating effect of reforms begun in the mid-1980s that have promoted competition while preventing



A woman shopping for hats in Sydney. Strong domestic demand has helped support the Australian economy.

consisted of commodities whose prices floating exchange rate, privatization of coping with external shocks," Mr. Hale getting the fundamentals." had trimbled.

consisted of commodities whose prices floating exchange rate, privatization of coping with external shocks," Mr. Hale getting the fundamentals." Low interest rates have

porate and financial supervision. David Hale, chief global strategist for the Zurich financial-services group in Chicago and a frequent visitor to Australia, ascribed the buoyancy of the Aus-

tralian economy to several factors: • Improvement in bank supervision after a boom-bust lending cycle in the 1980s, when deregulation encouraged foreign banks to enter the market for the first time and engage in a reckless battle for market share, with many of the loans going to finance property speculation

 A floating exchange rate that disunless they also had matching offshore

 Significant liberalization of trade and industrial relations. "These structural changes have made

perience of the 1980s was a forerunner of the banking excesses which set the stage for the Asian crisis of the late 1990s."

At the end of a recent visit to Anstralia, Prime Minister Goh Chok Tong of Singapore said East Asia could learn from the Australian experience that "good governance, and good corporate governance, are critical."

Comparing developments in Asia and Australia today to the situation five years ago when he was last here, Mr. Goh likened them to the proverbial race between the hare and the tortoise.

To be frank, my assessment then was that Asia was going to gallop away and Australia would be lucky to grow at 2 percent or 3 percent," he said, adding that it was now clear that Australia was winning the race because it had a good record of putting sound policies in place,

Low interest rates have fostered the consumer spending that has powered Australia's economic expansion. The government of Prime Minister John Howard, re-elected in October to a second three-year term, has swung the budget from chronic deficit into surplus, setting the stage for lower rates.

Home-loan rates, at about 6.5 percent, are the lowest in 30 years, giving people more money to spend after they have terioration in the current-account deficit made their mortgage payments.

"The economy is being driven by strong domestic demand," said Rob Henderson, chief economist at Dresdner Kleinwort Benson Securities. "We're in a very similar situation to the United States, with strong growth and low inflation."

But analysts cautioned that if Asia failed to recover in the next couple of years, or if other major markets for Australian exports softened significantly, Those changes include tariff cuts, a Australia's economy far more flexible in concentrating on fast growth but for based on trade and natural resources areas where demand is stronger, such as Costello, Australia's treasurer.

Sydney Markets Ready to Merge

SYDNEY -- Five years ago, the Australian Stock Exchange and Sydney Futures Exchange were in court arguing about exclusive trading

rights. Now they are planning to Rapid changes in trading patterns on global financial markets mean that exchanges can no longer afford to confine themselves to servicing in-

dividual countries or even regions. "The new competition for financial markets is not domestic but global," Ken Farrow, managing director of the Australian Financial Markets Association, said Monday; so, combining

the operations of the Australian exchanges, two of the biggest in the region, is a "logical" step, he said.

Members of the Sydney Futures Exchange traded almost 30 million contracts valued at more than 10 trillion Australian dollars (\$6.4 trillion) in 1998, making it the 10th-largest futures exchange in the world. Trading on the Australian Stock Exchange totaled 245 billion dollars in the year

that ended June 30, 1998, making it

the 12th-largest equities market in the

In comparison, the Hong Kong Stock Exchange has a value equal to 236 billion Australian dollars, and the Tokyo Stock Exchange, 2.1 trillion dollars. The New York Stock Exchange is the world's largest stock

trillion Australian dollars. Other exchanges are making similar moves. "It's about getting the biggest number of eyeballs on your screen," said Bill Marynissen, executive director and head of futures at Macquarie Bank Ltd.

market, with a value equal to 11.6

"The whole financial-services industry is about scale. One could do the job much better than two," said Peter Forbes, executive general manager for equities at Queensland Investment Corp. in Brisbane, which manages 8 billion dollars of Australian equities. .

A successful merger would incor-porate the New Zealand Futures Exchange, owned by the Sydney exchange, and this would put pressure on the New Zealand Stock Exchange to join as well.

would inevitably affect other sectors of

the economy.

"As the effects of the global crisis spread to the domestic economy, firms will be forced to run down their inventories and curtail production," said Rob Subbaraman, an economist at Lehman Brothers. "Downsizing in the corporate sector will affect job creation and,

will also be a drag on growth." A slump in exports and a rise in imports pushed Australia's current-account balance — the broadest measure Subbaraman said he expected Ausof trade in goods and services — to a tralia's GDP growth to slow sharply to record deficit of 7.97 billion Australian dollars (\$5.1 billion) in the three months that ended in December, a figure equiv-

ultimately, depress consumption. A de-

alent to 5.4 percent of GDP. Prices for many of the commodities that Australia exports continue to fall. Meanwhile, diversification by exporters "whereas in many parts of Asia we were the decline in Australian industries away from weak Asian markets into

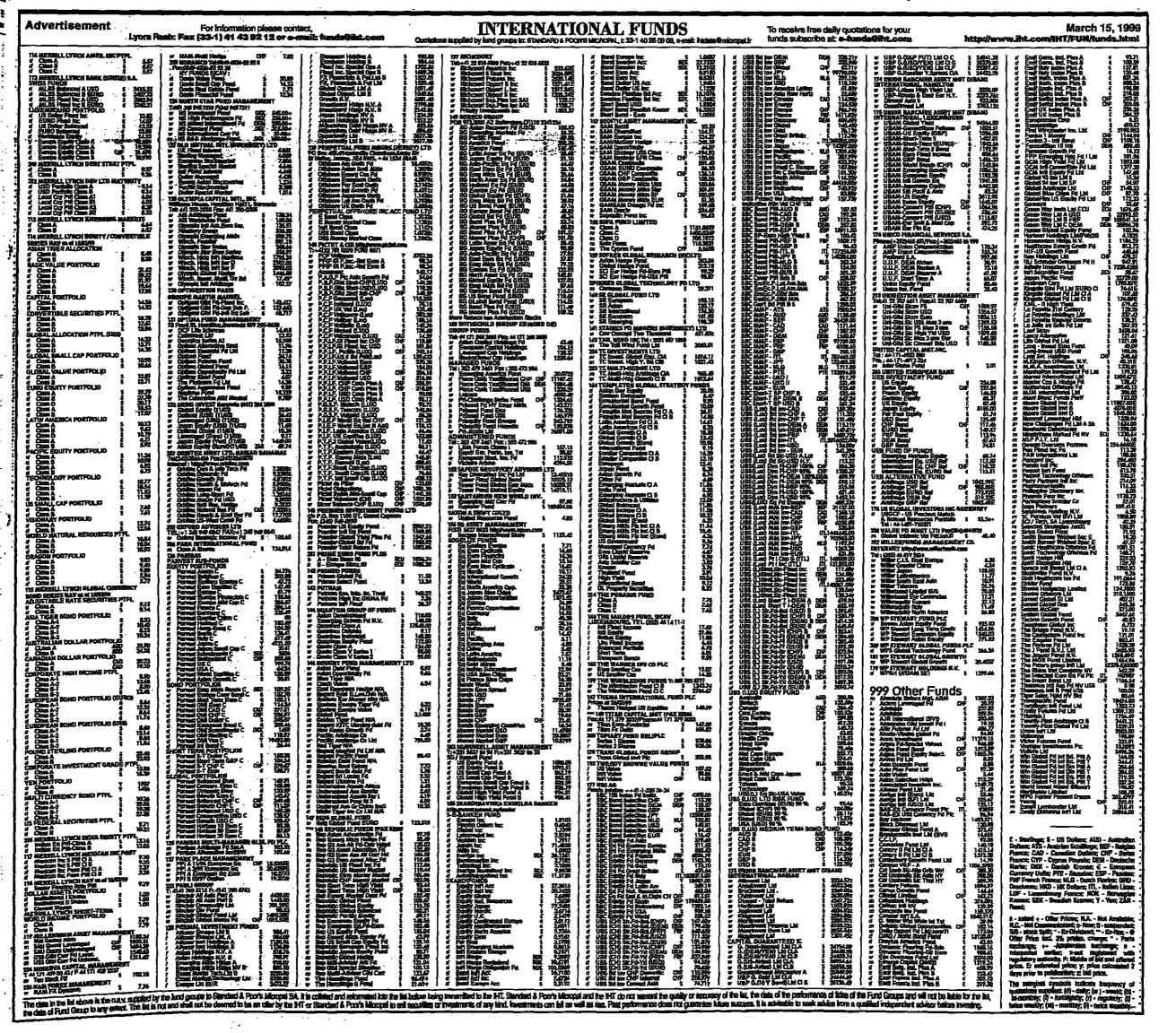
the United States and the European Union, may become increasingly difficult

as trade barriers rise, analysts said.

'Australia has adjusted remarkably well to the direct effect of Asia on our exports, but that does not mean we have escaped unharmed," said Ed Shann, a director of Access Economics consultancy in Melbourne. "The full effect of slower world growth on commodity prices, commodity export volumes and resource investment is yet to come.""

Some analysts say the downturn for Australia is already starting to bite. Mr. below 2 percent this year. The government is forecasting growth of 3.25 percent in the year ending in June and 2.75 percent in the ensuing 12 months.

"To come through a situation where the region is in recession, then to have growth slowing to 3 percent, would still be a fantastic achievement," said Peter



Herald Eribune SPORTS

IOC Backs Down On Voting Change

OLYMPICS A "peasants' revolt' forced the powerful international Olympic Committee executive board on Monday to back down on its plans to strip the membership of their right to vote over who should

host the Olympics. In a move to stamp out vote-buying following the Salt Lake City scandal, the executive board decided in January to set up a special 13-member group to decide the site of the Games.

In what one IOC member described as a peasants' revolt, more than 40 members made it clear to the board at a breakfast meeting in Lausanne, Switzerland, that they would never accept losing their

right to vote. 'Just because some people have been caught taking gifts and cash there is no reason to treat as all like crooks," said one person who at-

tended the meeting.

IOC vice president Dick Pound said on Monday that the board had gotten the message and the mem-bers would continue to vote on the Olympic bids.

 An independent auditor found Sydney's bid effort for the 2000
Games guilty of 'numerous
breaches' of Olympic guidelines ··but found no evidence of corruption or bribery. In a report released Monday, Tom Sheridan also said two International Olympic Committee members - Kevin O'Flanagan of Ireland and Niels Holst-Sorensen, a Dane — broke IOC rules.

Sheridan outlined the lavish hospitality and gift giving that won Sydney the Games, but he said that the IOC's rules governing bids were "unworkable and have fallen into disrepute and are almost completely ignored by candidate cit-

Pakistan Is Asian Champ

CRICKET Pakistan dismissed Sri Lanka for 188 in its second innings Monday in Dhaka to win the Asian Test Championship final by an innings and 175 runs.

New Zealand and South Africa drew the rain-affected second test in Christchurch on Monday. South Africa declared its first innings closed on 442 for one at the start of the final day. New Zealand then reached 127 for one in its second

African Cup in 2 Countries

SOCCER Ghana and Nigeria will 'co-host next year's African Nations' Cup finals, the Confederation of African Football announced

The two countries replaced Zimbabwe as hosts of the tournament next January because Zimbabwe was behind schedule on the construction of new stadiums and no government financial guarantees had been provided. (Reuters)

Compagnoni Retires

SKIING Deborah Compagnoni, a 28-year-old Italian who won three Olympic gold medals, said she is retiring because of a series of health .problems.

WORLD ROUNDUP Verdict Was Correct: Lewis Blew His Lead

He Stopped Punching and Deserved a Draw

By Dave Anderson New York Times Service

TEW YORK — It's being de-nounced as the biggest robbery since Willie Sutton was the heavyweight champion of bank heists. But for all the complaints about Lennox Lewis's 12-round draw with Evander Holyfield, he robbed himself.

66. All he had to do was maintain his

VANTAGE POINT

domination, but he didn't. He allowed Holyfield to earn the next four rounds. If Lewis had not won the 12th round, he would have lost on a split decision.

Lewis argued later that, "I felt like I was in complete control," and for seven rounds, he was. But when asked why he wasn't more aggressive in those later rounds, he explained that he didn't want 'suckered' into the trap he thought Holyfield might be setting for

quiet time, something that his trainer, Emanuel Steward, would rather he not

Holyfield didn't win the eight, ninth, 10th and 11th rounds as convincingly as Lewis had won most of the early rounds with a barrage that led to Lewis's overall 348-130 advantage in punches landed — but Holyfield did enough to deserve those later rounds, just as Lewis

didn't do enough.

Lewis was thinking instead of punching. And boxing judges have seldom been known to award points for think-

Lennox has a tendency to think too much, to hesitate," Steward had said a week before the fight. "He's a chess player. Sometimes he'll take 20 minutes to think about making a move. In boxing, you don't have time to think. Boxing is

Against Holyfield, Lewis's hesitation contributed to the draw that created a dispute instead of an undisputed champion. Holyfield remained the World Boxing Association and International Boxing Federation champ, Lewis the World Boxing Council champ.
I agreed with the draw verdict of the

British (and WBC) judge, Larry O'Connell. He scored it 115-115 in points, 5-5-2 in rounds. I had it 114-114 in points, 6-

Stanley Christodoulou, the South Af-6 in rounds. rican (and WBA) judge had Lewis ahead, 116-113 in points, 7-4-1 in rounds. Eugenia Williams, the New Jerahead, 115-113 in points, 7-5 in rounds, somehow awarding Holyfield the fifth, even though Lewis pummeled him

throughout that round. Had Williams instead given the fifth round to Lewis for a 114-114 score, the outcome would have been a majority

fifth round, Lewis's manager, Frank Maloney, was more annoyed at his home-

boy, O'Connell, for scoring it a draw. But whenever controversial scoring occurs, it's fashionable to doubt the

judges' integrity, especially when Don King is the promoter.
"Somebody got to the judges,"

Lewis's promoter, Panos Eliades, said with a smirk. "I'm just happy we got a draw instead of a defeat.

King, meanwhile, was already cackling about the millions to be generated by a rematch, even proposing Yankee Stadium or London as a summertime site.

"I go where the wild goose goes,"
King said. "These guys must fight
again. As for the mandatory title opponents waiting out there, I believe that Lewis was in command on all three judges scorecards: 69-64, 68-66 and 67governing bodies for an immediate rematch. The fans want it.

The fans surely would rather see a rematch than see Holyfield against Henry Akinwande or David Tua, or see Lewis against John Ruiz.

But with the personalities and politics involved, a rematch won't be that simple. It took more than a year for King, who is Holyfield's promoter, to come to terms with Eliades, who now has a sixbout contract for Lewis with HBO cable television. These people finally put Saturday night's fight together, but they are

When King didn't supply the letters of not friends. By not being aggressive, Lewis reverted to the chess player he is in his verted to the chess player he is in his verted to the chess player he is in his to come up with nearly \$30 million— Lewis to emerge with all three titles.

Holyfield was guaranteed \$20 million, Lewis \$9.5 million plus probably another \$2 million from the pay-per-view profits. But for a rematch, Lewis would surely want as much as Holyfield, say \$15 million each. Lewis might also demand that Eliades be the primary pro-moter, especially if the rematch were in

As for Holyfield, his demeanor in the post-fight interview area betrayed his feelings. While Lewis stood tall, Holyfield sat slouched with a sheepish

ed as if he had lost, saying: "Lennox was great tonight, I have to take my hat off to skiing — in Europe at least. That would him. I was wrong about my third-round knockout prediction, but now I'll get another opportunity in the remarch.

Evander Holyfield seemed to know

that he hadn't deserved to win. And he would not have even salvaged a draw if Lennox Lewis hadn't stopped punching to play chess.

■ 3 Organizations Order Rematch The presidents of the three sanction-

ing bodies for the Holyfield-Lennox bout have ordered a rematch within six months, The New York Times reported from New York.

controversy attached to this important fight," Bob Lee, president of the IBF, told The Associated Press. "But we did sey (and IBF) judge, had Holyfield what we thought was the most sensible thing by ordering a rematch in six months.

Lee met with Gilberto Mendoza, president of the WBA, and Jose Sulaiman of the WBC early Sunday morning, right after the fight, and decided to order the

Also on Sunday, George Pataki, the governor of New York, said he would Williams's perception, especially of the ask the New York State Athletic Com-

Pataki said that his administration has worked hard to bring championship boxing back to Madison Square Garden, "but it has to be done in a way that upholds the integrity of the game and people's confidence in the sport.





LARA CAUGHT OUT — Australian wicket keeper Ian Healy, left photo, wearing cap, celebrating Monday after catching West Indies batsman Brian Lara out for 213 for the fifth wicket during the third day of the second test match in Lamaion. In right photo, I and the second test match in Lamaion. In right photo I are the first with field. He had hit a day of the second test match in Jamaica. In right photo, Lara walks dejectedly off the field. He had hit a dazzling 212 not out on Sunday. Australia hit back by removing the last six West Indies wickets for 54 runs.

Snowboarding's Hot, Freestyle's Not

By Steve Keating

Special to the International Herald Tribune MEIRINGEN, Switzerland - The disco sounds pulsating through the Alps are like an echo from an earlier era. Loud acting like a respectable Olympic sport. Disco is dead, and according to Gian-

Franco Kasper, the president of the International Ski Federation, so is freestyle closed out a troubled season on Sunday a 'We are very concerned about what is cupying, that hip youth sports scene.'

mening with freestyle skiing.'

It's a niche some freestyle official bit of a wake.

happening with freestyle skiing, Kasper said. "We have to realize that within Europe there is absolutely no interest left in freestyle skiing in its Once the coolest thing on snow, free-

style skiing — acrobatics on skis — suddenly finds itself as out of fashion as purple bell bottoms, replaced by those new rad dudes on the winter sports scene, snowboarders. Fueled by a multimillion-dollar fash-

ion-and-equipment indi boarding has taken over the lucrative hip demographic market once cultivated by

A telling blow fell at the start of the current season when freestyle skiing's title sponsor moved its money to the snowboarding World Cup.

With no major backer to support its tour, the freestyle World Cup circuit

scrapped all its European stops.

Events in Canada, the United States and Japan, where the sport remains popular, went ahead, but a general lack of interest has some ski officials concerned about freestyle's ability to maintain its Olympic status. Snowboarding, meanwhile, has enough cash and sponsors to operate two competing circuits, one run by the ski federation and the other by the more anti-establishment International Snowboard Federation.

mainstream when it became an Olympic sport in 1992, but that seemed to force it

away from its hotdogging roots.

Snowboarding made its Olympic debut last year in Nagano. But instead of are like an echo from an earlier era. Loud but last year in Magano. But listed on years.

Think the goal is to come up with way freestyling was, the snowboarders way freestyling was the snowboarders way freestylin skiing events. But the choice of Donna Summer instead of cutting edge rock and rap suggests a sport struggling to remain the gritome of counterculture cool public. the epitome of counterculture cool while lom gold medalist, tested positive for marijuana, it only strengthened the sport's rebel image.
"In the past 10 years we have really

focused on being an Olympic sport and being in the Olympics," said Joe Fitzgerald, the ski federation's freestyle race director. "Meanwhile, snowboarding has taken over the ground we were oc-

It's a niche some freestyle officials want back. Once the darlings of the MTV generation, freestyling is expenot v generation, freestyling is experiencing a middle-age crisis, trapped somewhere between the cutting edge of snowboarding and the Formula One sophistication of alpine skiing.

"We're in an interesting situation, trying to decide whether we should come back to where we were or perhaps be a little bit more sophisticated like alpine skiing," Fitzgerald said, "We're look-



Sandra Schmitt of Germany skiing to gold during the women's dual freestyle World Championships. know what people enjoy.

Freestyling moved into the sports ing at taking our Olympic events, anistream when it became an Olympic moguls and aerials, and refining them and making them run better. Then maybe we'll add a few elements that encompass the free skiing movement that has been growing the last three

> skis. We're looking at ways to adopt some things they're doing in half-pipe or maybe a ski-type boarder-cross event." While the championships unfolded in a subdued atmosphere above the Swiss resort, meetings produced heated debate

but few concrete solutions. As the season ended, the ski federation continued to search for a title sponsor and will likely run a reduced World Cup schedule next season.

Snowblades or miniskis, the newest winter sports craze, could also become part of the freestyle portfolio of disciplines as the sport tries to attract spon-

sorship from the ski industry.
"We haven t been relevant to the ski industry," Fitzgerald said. "We're starting to see what's coming out of snowboarding crossing over back into freestyle skiing.**
Freestyle skiers and officials readily

admit that they have struggled through a trying campaign, but they argue that, Europe aside, the sport is not only strong but flourishing. Events in North Ame ica and Japan attracted large audiences and were broadcast on national tele-Freestyle has established a beachhead

<u>r</u> . .

DENIE

in the lucrative Asian-Pacific market. Chinese freestylers have reached the podium in Olympic, world and World Cup competition.

"Why go to places like La Plagne in France where there is never anyone there?" asked Jean-Luc Brassard, a Canadian who won the moguls gold medal at the Lillehammer Olympics. "Why don't we go more to the United States or Japan, where they pay \$30 to watch?"
The athletes are now getting togeth-

er and putting pressure on the FIS. We look forward to making changes. We

SCOREBOARD

BASEBALL EXHIBITION BASEBALL SUMPAY RESULTS Montreol (ss) 8, Bartimore 6 New York Mets (ss) 3, Florida 2 Los Angeles 9, St. Louis 8, 10 imings New York Mets (ss) 5. Montreol (ss) i Anaheim (ss) 9. San Francisco (ss) 8 chicogo White Sex 10, Colorado 7 eatile & Chicago Cubs 7

New York Yankees vs. Alla

Ansons 2: Sun Francisco (35) v Kansas City (52) vs. Defroit, ccd., rain Cleveland vs. Tampa Bay, ccd., rain 'Houston' (55) vs. Kansas City (55), ccd., rain

4 14: M: Mourning 10-17 5-7 25, Hardonay 7-18 4-5 20. Rebounds: New J 18 4-5 20. Rebounds: New Jersey 52 (Van Jonn, Williams 12), Mkumi 59 (Mouming, Jrown 11), Assists: New Jersey 16 (Marbury Stown 17, Martin 24 (Hardanay 8). Sp. Miorni 24 (Hardanay 8). 23 29 23 21—96 Basten 31 15 25 28—99 Indiana 31 15 25 28—99

8: Walker 6-20 3-4 16. Pierce 5-8 4-5 15; 1: Smits 10-21 8-8 28. Miller 6-11 5-7 19. Rebounds: Boston 49 (Wolker 8), Indiano 48 (D.Dovis 10). Assists: Boston 24 (Wolker 6), (D.Davis 10). Assists: Boston 24 (Watter 6), Indiano 18 (Best 6). Milwauttee ndiona 18 (Best 6).

MBwautobe 27 17 19 22— 96

Mashington 31 19 21 27— 98

M: Allen 9-19 3-3 22. Robinson 6-18 2-2 15: Richmond 8-184-423, Howard 8-184-420.

Rebounds: Milwookee 50 (Lehmon 2), Woshington 53 (Wallace 13), Assists: Milwowkee 16 (Del Negro 6), Washington 26 (Howard 7). Atlanta 21 22 17 25—85 25 15 17 15—72 25 15 17 15—72
A: Smith 8-19 3-4 22. Bloyfock 6-14 1-1 18
D: Hall 9-19 9-12 27. Huntler 4-12 1-2 12.
Rebounds: Atlanta 51 (Long 11), Octob 56
(Long 11) Admirate Atlanta 14 (Rientock At (Hill 11), Assists: Atlanta 16 (Blaylock 6),

21 21 26 18-- 86 New York 19 33 19 22— 94 C: Jones 8-15 6-8 22. Coleman 4-15 9-15 17: N.Y.: Houston 6-16 6-8 20. Johnson 6-10 6-8 19. Rebeweds: Charlotte 46 (Campbell 9), New York 57 (Dudley 13). Assista: Charlotte 13 (Wesley 5), New York 17 (Childs, Sprewell

12 22 24 22-90 75 22 30 37-104 Housen 75 22 30 37-104 Phoenits H. Burkley 8-21 5-6 21, Olojawon 5-14 7-10 17; P: Kidd 10-21 6-726, Monning 6-12 3-4 15. Rabounds: Houston 48 (Olojawon 13), Phoenis 58 (Kidd 11). Assista: Houston 17 (Barkley 6), Phoenix 31 (KGdd 14). LA Clopers 22 25 27 14—87 Sectile 29 23 25 31—188 Sentile 23 23 33 Chippers: Picikowski 7-11 4-4 21, Smith 5-10 0-0 12, Clowokandi 6-90-1 12: S: Payton 12-19 3-3 28. Baker 8-19 7-8 23. Rabbonds: Los nut-tie Clowolaundi 71, Sentile

Angeles 43 (Wright, Olowokandi 7), Seaffle 37 (Baker B). Assists: Clippers 18 (Martin 16), LA Lakers Socrements Lakers: O'Neal 13-24 7-10 33, Bryant 11-19 Lobers: Creen 13-24 7-10 35, isrgmi 11-17 6-679; S. Willoms 7-15-5-621, Webber9-180-0 19. Rebounds: Los Angeles 30 (O'Neal 11), Socremento 51 (Webber 11), Assists: Lokers 23 (D. Fisher 7), Socremento 23 (Divide

NCAA TOURNAMENTS SUICOAY RESULTS MEN erei Michololle

Miami, Ohio 66. Utah 58 Kentucky 92. Kansas 88, OT WOMEN TAST ESGIONAL SECOND ROUND
Old Dominion 72. Mains 62 MIDEAST REGIONAL ows State 85, Oregon 70

na 70, Alab WEST REGIONAL Louislang Tech 79, Penn State 62

NIT TOURNAMENT WOMEN SECONO ROUND Wisconsin 167, Siena 85 Arkansas 97, Oklohoma 93, OT Arkonses 97, Oktoberno 93, OT Arkonses State 83, Kenses State 70 Memphis 87, Tenst.-Martin 73 Michigan State 69, Michigan 68

ICE HOCKEY NHL STANDINGS HASTERN CONFERENCE

W L T Pis GF GA
36 21 8 80 194 163
34 22 9 77 263 177
36 21 17 77 198 162
29 30 8 66 188 187
19 40 9 47 157 204 W L T PIS GF GA 38 19 8 84 196 137 37 25 5 79 212 191 30 23 13 73 175 149 W 1 T Pbs GF GA
30 24 13 73 172 162
25 24 17 67 168 173
27 34 5 59 174 179

34 25 B 76 186 25 31 19 60 178 25 32 10 60 187 20 36 11 51 162 North Carolina Char PACIFIC DIVISION W L T Pts GF GA 42 12 11 95 193 130 22 24 10 74 160 156 30 27 10 70 70 76 163 25 28 14 64 150 156 25 36 5 55 152 175

Plastream
First Period: E-Beranek 19 (Falloon
Murray) Second Period: None. Third Period:
Murray) Second Period: None. Third Period:
Murray) Second Period: None. Third Period:
Mustry) Second Period: None.
Third Period: None.
Th Timmonen) (pp). 4. Nostwille, Bartielenv 14 (Fitzgerold, Boughner) (en). Skrits oe godi: E. 10-9-6—25. Nostwille 3-8-9—20. Gedies:

Caternate
First Period: None, Second Period: DKozlov 19 (Lortonov, Lidstrom) (pp), 2, DKozlov 3 (Murphy, Droper) Third Period: CSakic 32 (Foole, Forsberg) 4, D-Lortonov 14, (sh-en), Shets an goet: D-5-17-6-28, C-6-7-6 1 1 0-2

Plast Period: Rangers, Malhotru 8 (Locrob, Samuelsson) (pp). Second Period: Rangers, Stevens 18 (Knuble, Savard) (pp). 3, Islanders Craftowski 14 (Linden, Coirns) Third Pariod: Islanders, Palify 17 (Reichel, en god: Rangers 9-7-2-3-21. Islanders 12-10-8-2-32. Godies: Rangers, Clouber. Nam

Yark, Salo. St. Louis Bartecko (pp). 2 S.L.Hondzus 4 (Eastwood Young) 3 S.L.-Demitra 30 (Persons, Campbell) 4, C., Amonte 32 (Chellos. Moredii) Second Period: SL. Picard 5 (Demitro, Bortecko) Third Period: C-Laffantine 2 (Alison: Gilmour) 51.-Young 15 (Pronger) (en). Shots on good: S.L.-12-58-25. C 9-7-8-24. Goniles: S.L.-

Moderno 30 (Lehinen, Langenbrunner) 2. P.
Hud 3 (Brint Ansour, Therien) Third Period:
None, Overflant: Nane, Shots on goal: D-5

10-6-2-21 P- 11-9-5-3-27. Gooden. D-

CRICKET

AN TEST GIAND PAKISTAN VS. SRI LANKA

Pakistan won by Innings and 175 rens. NEW ZEALAND VS. S.AFEKA SECOND TEST, FRIAL DAY nd: 168 and 127-1. nh Affect 442-1 deci

WEST INDES VS. AUSTRALIA HED TEST, THIRD DAY AT LUNCH LONDAY IN KINGSTON, JAMAICA Hest Indies: 431-9

> GOLF HONDA CLASSIC

Final scores Sunday of \$2.6 million Honda Clessic on 7,268-yard, par-72 TPC at Herron Bay in Coral Springs, Fis.: Vikoy Singh, Fig.: Poyre Stewart, U.S.: Doug Dunador, U.S.: Carlos Franco, Parag.: Mark O'Medra, U.S.: Eric Booker, U.S.: Hol Suffan, U.S.: Towary Tolles, U.S.: Towary Tolles, U.S.: rigi suridit, U.S. Temmy Tolles, U.S. Dudley Hart, U.S. Chais Riley, U.S. Stugat Appleby, Aus.

MOSTD STHEMOS 1. Tiger Woods, U.S., 12.70 points average 2. David David, U.S., 11.11 3. Mark O'Means U.S., 9.92 4. Emic Ets. South Africa, 9,85 5. Davis Love 3d. U.S., 9.75 6. Lee Westwood, Britain, 9.10 7. Vilay Singh, Fill, 8.70 8. Colin Montgomerie, Britain, 8.41 9. Nick Price, Zimbobwe, 7.76 10. Justin Leonard U.S., 7.51 11. Phil Mickelson, U.S., 7.29 12. Jim Furyk, U.S., 7*27* 13. Fred Couples, U.S., 7.05 14. Masashi Osaki, Japan, 6.72 15. Jeff Maggert, U.S., 6.28

SOCCER

era 62 pointe; Cellic STANDINGOS: Rangers 62 points; Celfic 52: Kilmarneck 45: 51 Johnstone 42: Aber-deen 30; Martherwell 30; Dundene 21: Dunden

SPANISH FIRST DIVISION

SCHORDRO S. ESPURYOU V
STANDAMENTS Barcelong 50 points: Valencia 46: Vigo 45: Molloca 45: Cacuna 44; Real
Modrid 43: Bilbon 41; Socieded 36: Zargeza
36: Oviedo 36: Setis 34; Arietica Modrid 33; rcelona 3. Espanyol 0 Valladolid 33: Sankander 32: Espanyol 32: Villamed 30: Alaves 24: Extremadura 24: l'enerite 23: Salamonca 22.

FRENCH FREST BIVISION Strasbourg L AJ Auxerte 2 STANDINGS: Bordeoux Sé points; Mar-seille SS; Lyon 47; Monoco 43; Remes 41; Norses 40; Lens 33; Monipelier 33; Boslio 32; Auserre 31; Metz 30; Parts-St Germain 29;

Nancy 24: Le Hovre 23; Sochaux 20.

TENNIS HEWSWIEK CHAMPIO

FRIAL Mark Philippoussis. Australia, dei. Carios Maya (A), Spain. 5-7, 6-4, 6-4, 4-6, 6-2 Wayne Block Zimbabwe, and Sander Stalle, Australia, del. Ellis Ferretra. S. Africa, and Rick Leach, U.S. (S), 7-6 (7-4), 6-3. ATP RABICIPOS

1. Cortos Moya. Spain. 3,484 points. 4)

2. Pete Sompros. U.S. 3,447 (1)

3. Yeegeny Koffelliov. Russia. 3,382 (2)

4. Alex Correio. Spain. 3,250 (3)

4. Alex Correio. Spain. 3,250 (3)

ARK CATTERIO. Spain. 3.258 (3) 5. Patrick Raffer, Australia. 3.115 (5) 6. Tim Henman. Britain, 2.876 (7) 7. Richard Krajicsk, Netherlands. 2.67 Marcelo Rios, Chile, 2,434 (6) 10. Todd Martin, U.S., 2,300 (11) 11. Mark Philippoussis Australia, 2.264 (16) 12. Karel Kucera, Slovakia, 2.28 (12) 13. Greg Rusedski, Britain, 2.145 (10) ron tvorásevic, Crostic, 1,946 (13) as Enqvist. Sweden, 1,618 (14) 16. Albert Costa, Spoks, 1,809 (15) (last week's positions in brockets)

TRANSITIONS

TATE ILL MAJOR LEAGUE BASEBALL AMERICAN LEAGUE
CLEVELAND—Optioned OF Scott Morgan
and INF Russell Branyon to Bertielo, IL., RHP
WILLE MATTINEZ, RHP RIChard Negretis, and
INF Donny Pooples to Akron. EL.

DETROIT—Assigned RHP Allie. 'Drumright, RHP Done Bertowald and RHP Wills
Roberts to Tuledo, IL., RHP Apostol Gercks
and RHP Francisco Corder to Jocksomille,
SL. Designated INF Juson Bales for recssignment.

RHP Jeff D'Amica, LHP Mark Mulder, OF Mark Bellham, OF Chris Sheff, INF Jose Orl-b, OF Mario Encaraction and RHP Brett Lordon to their minor-league camp.

India EL Assigned RHP Hector Almonies, RHP Bobby Radges, C Chris Norton, C Ryon Robertson, OF Fletcher Botes and OF Dorand Stovali to their minor league comp. PHILADELPHIA—Assigned C Andy Domi-nique, C Krk Pierce, INF Pat Burnett, INF Steve Carver, INF Carlos Duncan and INF Skeve Carver, INF Cornes Deuter der Ni-Lau Lucco to their minor league comp. san breco—Assigned RHP Domingo Guz-man, RHP Scott Davison, RHP Salvador Radriguez, RHP Radrigo Lapez RHP Wescur Serrana, SS Matt Halloran, SS Kavin Nich-olson, 18 Peter Tucci and C Windeman Ganzalez to their minor league camp. Basticars ALL

NATIONAL BASKETBALL ASSOCIATION jured list.

NEW JERSEY—Signed G Stephon Marbury
to 6-year contract extension. Agreed to terms
with G Kerry Kittles on 6-year contract extension. Re-signed G Daug Overton to 10-day
contract. Signed G Daug Overton to 10-day
contract. Widted F Bill Curtey. Put G Eric
Murdock on Intured list.

contract. Widned F Bill Curley. Put G Enc Murdoct on Injured Bis.
New York:—Signed F Marcus Comby to 6year contract extension. Acquired F Mirsod Turkcan from Philadelephia for 1st-round draft pick. Waived G-F Dernis Scott. Activated G-F Dovid Wingarte from Injured fist.
ORLAND-Signed G B.L. Armstrang.
Waived G Kevin Oilbe.
PHILADELPHIA—Traded F Tim Thomas
and F Scott Williams to Milwauhee for F
Tyren Hill and G Jeraid Honeycuit.
**PORTLAND—Put G Julan Crafty on Injured PORTLAND—Put G John Croity on Injured list Activated G Bonzi Wells from Injured

EST. VANCOUVER—Traded G Sam Mack to Houston Rockets for G Rodrick Rhodes, Put F.C. Tony Massenburg on injured list. Ac-tivated F.J.R. Henderson from injured list. FOOTBALL

ATLANTA—Signed S Marty Carter.
CHICAGO—Re-Signed LB Sean Hunts to 3rear contract. Agreed to terms with DE Jama Doff on 1-year confront.

MIAMI-Signed DE Rich Owens to 2-year MEW ENGLAND—Re-Signed PK Adam Vinaties to 3-year commun.

N.Y.JET3—Re-signed LB Dwayne Gordon
to 4-year contract.

ST. Louis—Agreed to terms with LB Todd
Collins on 4-year contract. Released LB Eric

NATIONAL HOCKEY LEAGUE
BOSTON-RECORED RW London Wisson
from Providence, AHL
BUFFALO - RECORED D Jean-Luc Grand-

dianapolis, IHL. Loaned C Geoff Peters to Portland, AHL

DALLAS.—Signed RW Bloke Stoon to ?-year
contract. Watered D-LW Don Keczmer. Put D Danyl Syder on injured reserve list.

FLORIDA —Recoiled D Lonce Ward from New Hoven AHL

MONTREAL—Recalled D Sylvoin Blowin from Fredericton, AHL Traded RW Mark Reachi to Philadelphia for RW Dainius Recchi to Philassuprau (C. 1997).
Zubrus and 2 future draft picks.
Zubrus and 2 future draft picks. OTTAWA-Truded D R Chicago for 1999 5th-round draft pick PHOENIX—Acquired G Mikholi SM PHGEND:—Acquired G Mildred Sharleshard from Edmanton Ollers for 2000 5th-round drift jock. Recalled G Robert Eachs from Springfield, AHL Worked G Jampy Wolle.

PITTSBURGH—Traded C Ste Bornes to Buffelo for RW Martihew Bornethy. Recalled D Seen Buffelock from Houston, 1HL. Sent Laboration from Houston, 1HL. Sent Laboration from Houston, 1HL. Sent Laboration from Houston, 1HL.

SAN JOSE—Recoiled C Steve Guolda from Kentucky, AHL ST. Laurs —Recoiled F Lubos Bartecko ST. LOUIS —Recoiled F Lubos Barrecko ;
from Warcester, AHL and LW Michel Picard
from Grand Ropids. HIL
TAMPA BAY—Recoiled LW Brent Peterson
from Cleveland. HIL
TORONTO—Recoiled LW Lonny Bohonos
and F Joson Podollam from St. John's. AHL
VANCOUVER—Recoiled C Josh Holden

FLORIDA STATE—Signed Stave Robinson, nerts busketboli coach, to 2-year control sion, and Sue Semiou and women's basball coach.

MANHATTAK-Numed Bobby nen's bosketball coach. MONTANA — Promoted Don Holst, interim bosketball coach, to bosketball coach. DESKRIDGH COOCH, TO DESKRIDGH COOCH, PURDUE—Supended C Gary McQuay for nan-compliance of team rules. SOUTH CAROLINA—Dismissed OI, Donald Marshall from football team for violating unspecified feam rules. SOUTHEASTERN LOUISIANA

DC SANTA BARBARA—Announced F Ress (WISCONSIN-MILWAUKEE —Fired Ric Cobb.
men's basishball cooch. en's basketball coach. Washington State—Fired Harold HIEL SAN DIEGO—Agreed to terms with 5 Domen unnounced the resignation of Dick MCISCO—Signed WR Jim McElrov.

SPORTS

Southwest Missouri Clobbers Tennessee

Coach Chest-Bumps Team to the Round of 16

By Robyn Norwood

Los Angeles Times Service

CHARLOTTE, North Carolina -Steve Alford walked the Southwest Missouri State sideline with such perfect composure and self assurance, you almost forgot it seems like yesterday he was playing for Indiana.
Then Allen Phillips found Ron Bruton

with an alley-oop pass, Southwest Missouri State suddenly led by 23 points, Tennessee called time out, and Alford crashed into Phillips on the court with a

A chest-bump? You don't often see coaches doing that.
'I was shocked to hear

more coaches don't chestbump." Alford said.

Only a dozen years after he won the 1987 NCAA title as a player, Alford is on his way to the Sweet 16 as a coach after No. 12-seeded Southwest Missouri State's 81-51 demolition of No. 4-seeded Tennessee on Sunday in the second round of the NCAA East Regional His team plays top-seeded Duke on Friday.

Southwest Missouri State knocked off a Big Ten team - No. 5-seeded Wisconsin — in the first round, then pushed aside a Southeastern Conference team

The confident Bears played as if it were routine.

"I knew this would be a tough fight," forward Ken Stringer said. "I felt we would win, but not by 30."

Stringer helped get the ball rolling for the Bears at the end of the first half when he nearly lost the ball, got it back and banked in a 3-point shot just before the buzzer for a 36-26 halftime lead. A 22-7 run at the start of the second half

punctuated by Bruton's dunk and all that chest-bumping turned it into Southwest Missouri State's ballgame. Tennessee was never closer than 20 points again.
"The pressure was on them," said Phillips, who scored eight points off the for a 32-17 lead and scored their final 19

bench and made two 3-point shots. "They were supposed to beat us. We were the underdogs." He said the coach "told us to go out and play our hearts out."

Southwest Missouri State's defense believed held Wissouri State's

helped hold Wisconsin to 32 points and 25.5 percent shooting in the first round, and Tennessee to 29.5 percent.

"Today they were an awfully good team and we weren't," said Jerry Green, the Tennessee coach.

Southwest Missouri State made almost 52 percent of its shots, and center Danny Moore led the way with 25 points, making eight of 14 shots after Tennessee made a questionable decision not to double-team him.

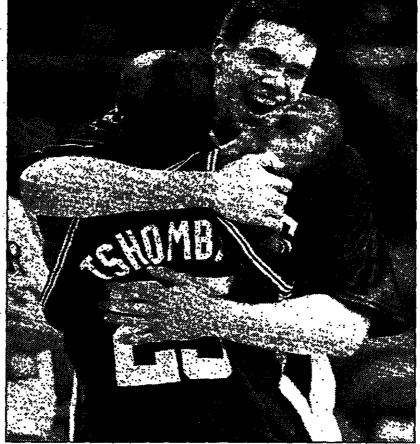
Alford, a coach who mixes discipline with fun, said the week of preparing to play Duke would be fun.

"We're going to play a lot of whiffle ball," he said. "Life goes by so quickly. The games go by so quickly. "We want to enjoy this time. We're not above or below enjoying ourselves out there."
In the two East Region games in Bos-

ton, The Washington Post reported: Second-seeded Miami and thirdseeded Cincinnati, the teams that entered the first round of the NCAA tournament's East Region with intimidating reputations, were eliminated in the second round by a pair of underdogs who refused to be sent away scared.

Purdue 73, Mismi 63 Junior forward regarded St. Jo Brian Cardinal had 20 points and six and Syracuse. rebounds and senior guard Alan Eldridge added 12 points and an outstanding defensive effort in leading 10th-seeded Purdue to victory over Miami.

Purdue, which lost five of six games before the tournament and, according to coach Gene Keady, had some attitude problems during the second half of the season, was outrebounded 45-29 and allowed Miami to take 76 shots to Purdue's 38. But the Boilermakers scored the final 15 points of the first half



Southwest Missouri's Danny Moore hugging teammate Butch Tshomba.

points from the free throw line over the shoot from outside.

game's closing 7 minutes 34 seconds.

Cardinal said the Boilermakers went into the tournament relaxed because of their late-season problems and stayed that way against a team whose Big East season included victories over highly regarded St. John's (twice), Connecticut for a 29-13 lead.

Temple 64, Cincinnati 54 Junior forward Lamont Barnes scored 15 points and reserve junior guard Quincy Wadley provided an outside spark with 14 this season, was eliminated in the seco points, including four 3-pointers, enabling sixth-seeded Temple to eliminate In a game reported in late edition

Temple and Purdue will meet in the round of 16 Friday at the Meadowlands

in New Jersey. The Owls put their strength -- a tight matchup zone defense - against Cin-

Temple took control with a 23-7 run that began with reserve center Ron Rollerson's only basket with 13:49 remaining in the first half and ended with a 3-point basket from the right corner by Wadley with 2:40 to go before halftime

Cincinnati, which was making its eighth straight tournament appearance and in November became the only team in the nation to defeat top-ranked Duke this season, was eliminated in the second In a game reported in late editions

Duke 97, Tulsa 56 The Blue Devils, the

top-ranked team, became the first team to win back-to-back NCAA tournament games by at least 40 points, with another methodical annihilation of an overcinnati's weakness — little ability to matched team.

Wally's Heroics Propel Miami Past Utah, 66-58

By Lee Feinswog hington Post Service

NEW ORLEANS - In the end, it again was Wally's World. But along the way, 10th-seeded Miami of Ohio had a few other heroes in beating secondseeded Utah in an NCAA tournament Midwest Region second-round game at the Louisiana Superdome.

RedHawks senior forward Wally Szczerbiak scored 10 of his 24 points in the final eight minutes on Sunday in Miami's 66-58 victory. It was a suitable follow-up to his 43-point effort in Miami's 59-58 first-round victory over Washington on Friday. He made 10 of 10 free throws (six in the final minute and a half), grabbed seven rebounds and made five assists — and this time he had help: John Estick, a 6-foot-5 (1.96-meter) senior center, matched his season high with 18 points, and Jason Stewart, a junior guard who hadn't scored in double figures in more than two months, made three consecutive three-pointers in the first half and hit another to open the second.

"We just do whatever it takes to win as a team," said Szczerbiak, whose team trailed by 11 points in the first half but nevertheless advanced to the round of 16 for the first time and ended a schoolrecord 23-game winning streak for Utah, which reached last season's national

championship game. Miami's opponent in a regional semi-final Friday in St. Louis will be third-seeded Kentucky, which averted a complete wipeout of the 1998 Final Four by ported: defeating sixth-seeded Kansas in overtime in a game that left Roy Williams, the Jayhawks coach, teary-eyed.

Utah entered the tournament hotter than any other team in the nation except Duke. On Sunday, it didn't matter. Usually a dominant rebounding team, the tailer Utes were held even on the boards

Coach. "Perhaps a bit smarter."

Alex Jensen, charged with covering Szczerbiak, limited him to 11 shots, but didn't matter. "He's one of the toughest guys I've ever had to guard, if

Kentucky 92, Kansas 88 The Wild-cats, the defending national champion, were close to joining Utah, Stanford and North Carolina on the sideline. They trailed by five points with 1 minute 29 seconds left in regulation. But senior forward Scott Padgett tied the score at 79 by making a three-pointer from the top of the key with 20 seconds left, and Kansas's Kenny Gregory badly missed an 8-footer from along the right baseline.

Padgett, who finished with a careerhigh 29 points, then scored seven points in the extra period. "We feel like we've got something to defend and we want to end our careers on a high note and I think we just sort of willed ourselves to the

win," Padgett said. Ryan Robertson, a senior guard who led Kansas with a career-high 31 points, said: "They're not national champions for nothing.

Trailing 79-76, Kentucky's Wayne Turner saw an opening from the left side, drove and then missed a layup. "We had the three-point lead and I was so happy when he started driving because we didn't want them to shoot a 3-point shot," Williams said. But the rebound of Turner's shot went to teammate Jamaal Magloire. He fired it out to Padgett, who caught the ball at the top of the key, waited for Gregory to run past him, then stepped back beyond the 3-point line for the tying shot.

In the other Midwest regional games, in Milwaukee, The Associated Press re-

Oklah ma 85. NC-Charlotte 72 Eric Martin made six 3-pointers as the Sooners, who upset Arizona in the opening round, became only the third No. 13 seed in tournament history to reach the regional semis.

"Being a 13th seed, I'm sure a lot of teams looked over us," Martin said. "We've beaten great teams all year, and still no respect. But it comes down to just than us," said Rick Majerus, the Utah Coach. "Perhans a bit concern." seed or a 16 seed."

Michigan St. 74, Mississippi 66 Maleen Cleaves scored 18 points, including seven during a late 13-0 run that carried the Spartans, the top seed in the Midwest, to their 20th straight victory.

Coach of Nets Is Reportedly Fired After 3-17 Start

Monday was a day of uncertainty for

the two NBA coaches in the New York metropolitan area. When it ended, it appeared that John Calipari of the Nets was in big trouble and Jeff Van Gundy of the Knicks was not.

Citing unidentified sources, ESPN,

NBA ROUNDUP

Sunday — a 26-point defeat in Miami — he met for 34 minutes with Nets owners

Finn Wentworth and Lewis Katz, who he would be fired if the Knicks were to cified personal reasons. had huddled with the team's president lose to the Charlotte Hornets. during the game to discuss Calipari's

Calipari emerged saying the owners just wanted to know where things go from here. But the coach did not accompany the team to Toronto, which did not bode well for his future. Asked if he had received a vote of

votes of confidence. Votes of confidence

Calipari has two years and \$6 million remaining on his contract.
There have been reports in New York. that the Nets have already contacted former Chicago Bulls coach Phil Jackson about taking over the helm.

Nets spokesman Matt Davey said londay that Calipari was still expected the sports cable TV network, reported to be on the bench for Tuesday's game.

Charlotte 94-86. ridiculous and I'm not going to dignify it took over as coach from Del Harris in with any more comment," New York general manager Brnie Granfeld said. record by winning his first nine games. Hawks

confidence, Calipari said: "No. I hate. Sprewell had 16, Chris Dudley had his to do with us not winning." best game of the season with seven points and 13 rebounds and the Knicks closed the game with a 13-5 run.

Allan Honston led New York with 20 points, although he did not score in the fourth quarter. It was just the fourth Los Angeles. victory in the last 10 games for the Knicks, whose mediocre start has been Mitch Richmond scored 23 points and marked by an alarming lack of effort and the Wizards handed the Bucks their most

Kings 105, Lakers 101 In Sacramento. Monday that Calipari had been fired.

Van Gundy, meanwhile, was watchCalipari is in trouble for his team's 317 start, and after the Nets lost again
Sunday — a 26-point defeat in Miami —
he met for 34 minutes with Nets owners

Was Gundy, meanwhile, was watching the Nets-Heat game when NBC mentioned it would have some van Gundy
news when it returned from commercial
news when it returned from commercial
in the met for 34 minutes with Nets owners

Was Gundy stayed tuned and heard that

general manager Braie Grunfeld said.

Kricks 94, Hornets 86 In New York,
Larry Johnson scored 19 points, Latrell

Redman's absence. "That has nothing on 5-of-9 shooting from 3-point range as Atlanta won in Detroit.

Vin Baker had 23 points and eight rebounds and Gary Payton added 28 points and 11 assists as the SuperSonics shot a season-high 57 percent against visiting

Wizarda 98. Bucka 96 In Washington

The Bucks have lost two straight after

cified personal reasons.

Despite 33 points by Shaquille

Several hours later, his team beat

O'Neal and 29 by Kobe Bryant, including 10 in the final period, the Lakers

"There was no truth to it, it was idiculous and I'm not going to dignify it took over as coach from Del Herrie in

Hawks 85, Pistons 72 Steve Smith

For Philadelphia, a Tie Game With Dallas Is Less Than Stellar

The Associated Press Holding the dangerous Dallas Stars

good night. It wasn't for the Phil-

adelphia Flyers.
"We don't need to tie, we need to win," said Eric Lindros, the Flyers'

NHL Roundup

captain, the 1-1 tie Sunday night. ers to extend Edm The tie extended Philadelphia's streak to four games. winless streak to 11 games, matching Rangers 3, Islanders 2 Adam the longest in franchise history. They Graves's 40-foot shot with 54.7

Roest scored second-period goals as

Detroit beat Denver. Igor Larionov scored Detroit's third St. Louis won in Chicago.

I THINK HE'S CRAZY, I HATE I CAN'T THINK OF ANYTHING WAITING FOR THINGS. I I'D RATHER ANTICIPATE THAN LIKE TO HAVE EVERYTHING HAVE RIGHT AWAY. CAN YOU?

goal, a short-handed empty-netter in the third period. Norm Maracle, getto a tie usually can be considered a ting his second-straight start, allowed only a third-period goal to Joe Sakic to snap the Red Wings' three-game los-ing streak. He had 21 saves. Patrick

Roy had 25 saves for Colorado. Produtors 3, Oilers 1 Cliff Ronning scored on the power play with 1:20 left ers to extend Edmonton's losing

have dropped from first to fifth in the Eastern Conference. seconds left in overtime lifted the visiting Rangers over their New York Eastern Conference.

Mike Modano scored his 30th goal for Dallas. Jody Hull saved the Flyers from a second straight shutout with his third goal of the season.

Red Wings 3, Avalanche 1 Vv.

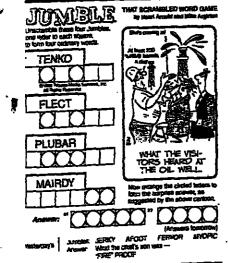
Red Wings 3, Avalanche 1 Vy-acheslav Kozlov and rookie Stacy mitra scored twice in a three-goal St. Blues 5, Blackhawks 2 Pavol De-Louis flurry in the first period to reach the 30-goal level for the first time as

I DON'T KNOW HAM I BOTHER TRYING

NOT MEEN YOU'RE

DENNIS THE MENACE

IF YOU COULD LIVE YOUR LEFE





PEANUTS



BEETLE BAILEY

2. BREAK EGG.

BLONDIE



THE BOOK

SAY WHAT



SELL'EM. BLIT KEEP THAT UNDER



WHY DON'T YOU CONTINUE BY TELLING US WHAT COLOR SOOS YOU'DE WEARING ?!









CALVIN AND HOBBES

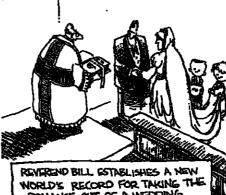
DAD SAYS THE ANTI-CIPATION OF HAVING SOMETHING IS







"NUO AS YKU'R NAARRIAGE BEGINS THE TIME OF BEING YOUR OWN WORST CRITIC CONES TO M END ...



ROMANCE OUT OF A WEDDING







ART BUCHWALD

DiMaggio Vignette

NEW YORK — I didn't nesses, had practically fallen know Joe DiMaggio in-asleep. timately, but I did know him

nett Williams, the great crim- over, too. inal lawyer. Ed was a devotee of Joe, and Joe was a hero-the back of the courtroom worshiper of Ed.

Joe's home runs - not on the with Eddie, walked in. playing field courtroom. Ed

financier named Louis Wolfson, who was charged 🔆 🚧 with SEC violations serious Buchwald enough to warrant a jail sentence. The case

was complicated to the point that even the judge couldn't understand it. Wolfson had been tried once, and his case had produced a hung jury. He was

being tried again in down-town New York. Since it was the second time around, the case had lowinterest and was being heard. in an almost empty court-room, except for a 12-person jury that, after bearing testi-

I met Eddie in the courtroom just before lunch. In a I met him through Ed Ben- few minutes my eyes glazed

Then suddenly the door in opened and Joe DiMaggio. I was witness to one of who also came to have lunch

> There was a buzz from the jury as Joe walked toward the from of the room, looking as if he was ready to take his turn

called the "minnellium."

classical repertoire, began to ask

himself whether as a musician he

should simply ignore the whole

business or try to find an appro-

priate response to it. And noting that the year 2000 marks the 250th

anniversary of Johann Sebastian

Bach's death, he decided that some-

thing really should be done about it.

Accordingly, he has committed

himself to performing and record-ing all 200 of Bach's surviving can-

tatas, beginning this Christmas and

ending on New Year's Eve 2000.

There is no other composer he

could conceive of devoting a whole

year to playing, said Gardiner at his London home.

The point is that Bach is the

central figure in classical music from the 16th to the 20th century."

he said. "He's the composer to

which all previous generations of

Western composers seemed to

have been leading towards. And his shadow fell right across the 18th

and 19th century and long into the 20th century. It's difficult to think

of a composer not influenced by

Bach and many of the great ones — from Beethoven to Schumann and

Brahms --- were obsessed with him

in one way or another as the su-

preme master of every aspect of

their trade.

He went up to Eddie and shook his hand, as the jury, for the first time alert, watched the drama. Then Joe shook hands with Louis Wolfson, The prosecutor objected. The judge wanted to know what the prosecutor was ob-

jecting to. The prosecutor said he was objecting to Joe DiMaggio. There was no doubt in anyone's mind that after this scene the jury would find Louis Wolfson "not guilty."

guilty of anything if he knew Joe DiMaggio? Once again, Joe hit one

How could anyone be

A Chaplin Seeks Redress

TERUSALEM - A daughter of Charlie Chaplin wants \$1 J million from the Israeli lottery for using her father's "Little Tramp* character without permission.

The Chaplin family would never have allowed the national

lottery to use the film star's image because her father disapproved of gambling. Josephine Chaplin said at a court

'His films have messages to humanity against dictatorship, against war, against hate, and now they're being used to sell fortery tickets. It's despicable." Chaplin said to reporters. An Israeli court has already ruled that the lottery violated the family's rights to Chaplin's image in an ad campaign begun in 1991. The hearing Sunday was to determine the

amount of damages. The hearing is to continue Monday, but a

decision is not expected for several months.

mony from government with over the fence.

There is something uniquely satisfying about Bach's music," Gardiner added. "It's complex, but By Roderick Conway Morris International Herald Tribune ONDON - While politicians the ear can attune to it so easily, and it's no accident that he is the Eurostill seem able to get excited about the Millennium Dome, pean composer par excellence who lends himself to jazzing, to beogyamong Britons at large the mere ing, having a beat attached to him mention of this mushroom-like Thames-side eruption is likely to and being played on different invite grouns and satirical comlevels without destroying the comments. Some people can no longer position - something you are hard bring themselves to utter the word put to do with Mozart, Haydn or "millennium" at all and have taken to referring to it as the "m Beethoven. Simply to record all the cantatas

word," and the linguistically chal-lenged have been heard to speak of an alternative, more homely affair but Gardiner has set himself, the in just a little more than 12 months alled the "minnellium." English Baroque Soloists and the Some time ago the conductor Sir Monteverdi Choir an ever greater John Eliot Gardiner, Joyen of the Baroque music revival and now a in churches scattered over the length renowned and highly sought-after and breadth of northern Europe. interpreter of the entire gamut of the

The jumping-off point for Bach 2000 will be in Saxony and the places where Bach lived. composed, played and conducted, starting at Weimar, where the former choir boy found his first job as an instrumentalist in 1703 and ending in Leipzig, where he went in 1723, where he wrote most of the cantatas and where he died in 1750. Meanwhile, conductor and musicians will range far and wide, traveling to other parts of Germany, and to Denmark, Sweden, Finland, Estonia. Latvia, the Netherlands, France and Britain, where the venues will include St. David's Cathedral in the far west of Wales and the abbey church on the island of Iona, through which St. Columba brought Christianity to northern Britain in 563, (For information on Bach 2000; tel. in London 44-181

871-4750; fax. 44-181 871-4751.) "We're deliberately avoiding the usual concert hall circuit and playing in more out-of-the-way places. The only big metropolitan centers we are touching on are Berlin. Amsterdam and London, but all the performances will be in churches, chapels, abbeys, priories and cathedrals." Gardiner said. "I passionately believe in the mutual benefit of music and architecture.

they were composed. 'When you have a beautiful The basic pattern of the week servation or publication.

Gardiner will perform all 200 of Bach's surviving cantatas.

church, or one of importance as a will be very much like Bach's own place of pilgrimage, and you put music in it, not only does the music reawaken it, but the music itself is affected by the architecture. The music is enhanced and embellished by the beauty of the acoustic and

Bach 2000: A Musician for the Millennium

Bach was that they could be performed throughout the year on the Sundays and feast days for which

PEOPLE

tatas — except that we don't have to write them!" Gardiner said. "He would compose on Monday and Tuesday. On Wednesday the Bach family factory of copyists, the huthe musicians inspired by the latent spirituality of the building."

One of the major attractions of doing the cantatas as opposed to the many other magnificent works by urday: Dress rehearsal. Sunday: Performances in church. Finish! Start all over again on Monday morning - with no thought of posterity, pre-

when he was composing the can-

"So, we'll more or less be rep-licating Bach's working week, but with Monday and Tnesday for travel and rest. We'll be recording on Samrday so that the tapes can be zoomed off to various radio stations to be broadcast as well on Sunday, and some of the performances will be televised. And meanwhile, Deutsche Grammophon will be issuing the records in monthly batches.

and call.

Gardiner will divide the musicians and singers into three groups, each of which will spend three weeks at a time on the road. He himself expects to be traveling for

the whole year.

To be able to do the complete program at the venues planned, Bach 2000 will need £5 million (\$8 million). About £3 million has been pledged by private and corporate sponsors, and energetic efforts are being made to raise the rest.

Gardiner's aim is not just to put Bach center stage next year but to establish something longer lasting:
"Only a handful of the cantatas are regularly performed, but I'm yet to meet one that is not rich in invention and imagination. So the hope is enormously to expand the playing of this part of his repertoire

in future.

"Equally important is that these concerts should be encounters with the communities in which they take place, with the local people being able to take part in the experience, and singing the chorales in unison before the performances of the can-

tatas," said Gardiner.
"One of the fascinating things about Bach is what a paradox he is, Unlike his exact contemporary Handel, who was a very international figure, he was a stay-at-home, who spent almost all his life in Saxony. But he wrote music that has an extraordinary universal appeal."

"I think the reason for this is that Bach's music offers a joy and spiritual refreshment that no other composer can provide. And it affirms not only religious values but human ones too, and brings home to you the sheer privilege of being alive.



ROLL 'EM - The actor James Coburn, left, giving Michael Kahn the American Cinema Editors award for his work on "Saving Private Ryan."

NONFIDENTIAL medical records about Queen Elizabeth II and other members of the British royal family were found dumped at the side of a road in Scotland. The Sun newspaper has reported. It said the file, reportedly found by a man walking his dog along a river at Ayr, also contained details of security arrangements of past royal visits and the blood types and medical details of members of the family. Scottish police said they have opened an investigation. A Buckingham Palace spokesman said the police had informed the palace, but he would not discuss the matter further

started in the home of Macauley Culkin's mother are suing for \$20 million each and the mother of a woman who died wants \$40 million. Lisa Percansky. and her sister. Romy, residents of the 40th floor of the 51-story Manhattan building, made it down to the 30th-floor during the fire, where they waited in a neighbor's apartment to be rescued on a terrace. "As they walked down, they

were literally tripping over people who were passed out in the stairwell," said their lawyer. "Psychologically, it was very traumatic for them." Also suing Patricia Brentrup and the building's owners is Sarah B. Chappell of Gates, North Carolina, whose daughter Wanda died in the Dec. 23 fire. The fire, which killed four, started in one of two 19thfloor apartments occupied by the Culkin children and their mother. The lawsuit accused Brentrup of negligence for allegedly leaving the door ajar as she fled the apartment, allowing smoke to spread through the building.

band, John Clark, has admitted that reports in the National Enquirer and London's Daily Mail are true — he did indeed father a child eight years ago with another woman. That woman later married Ben Clark, the son of Redgrave and John Clark. "It was time that the little chap knew who his father was." John Clark told The Associated Press. "Everything you've read is true." The

child was adopted by Ben Clark, who did not know the boy was his halfbrother. Ben and his wife have split.

pleaded guilty to a federal wiretapping charge. Prosecutors dropped two related charges against Eric Ford. "I'd like to apologize to Tom and Nicole," Ford said. The penalty could be up to a year in jail and a \$20,000 fine, but prosecutors A tabloid photographer who eaves-dropped on a cellular phone call between Tom Cruise and Nicole Kidman has sentencing hearing May 17.

Rostropovich Has Had It With Russia

The Associated Press MOSCOW — Apparently furious over a poor review, the renowned cellist Matislav Rostropovich has declared he will never play in Russia again, a

magazine has reported.
"Now it is over," Rostropovich said in an interview published Friday in the weekly Vek. "I will give concerts only where people want to he pleasure in this, not where they say that I am a 'has-been.'"

The 71-year-old Rostropovich, who left the Soviet Union in 1974 and was stripped of his citizenship four years later, returned to support liberal reforms in 1991 and has spent much of his time in Russia since then.
In the interview, he complained about a review of a concert he gave in Moscow

in December to celebrate the 80th birthday of the writer Alexander Solzhenitsyn.
"There will be no more occasions of that kind," he said. "It is over. I do not want my concerts to be a punishment." Rostropovich said that he will still visit the country and that he hopes to renovate a family house outside Moscow.



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